Sanathan Textiles LTD.
Yarns for the Fabric of Life
www.sanathan.com

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REGISTERED OFFICE
SRV NO. 187/4/1/2, Near Surangi Bridge, Surangi Dadra & Nagar Haveli Silvassa Dadra & Nagar Haveli Dn 396230.

Email: sales@sanathan.com **COMPANY IDENTIFICATION NO.** L17299DN2005PLC005690

Date: August 19, 2026

To, **National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051.	 **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Trading Symbol: **SANATHAN** Scrip Code: **544314**

Ref. No: - **2025-2026/Aug26/138**

Dear Sirs/Madam,

Sub: Annual Report of Sanathan Textiles Limited ('the Company') for the Financial Year 2025-26

We hereby submit, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Annual Report along with the Notice of 21st Annual General Meeting ('AGM') for the financial year 2025-26.

The said Annual Report containing the 21st AGM Notice is also being uploaded on the Company's website at www.sanathan.com.The same is also available on the websites of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com.

We request you to take the above information on record.

Thanking you,
Yours faithfully,

For Sanathan Textiles Limited

Jude Dsouza

Digitally signed by Jude Dsouza
DN: cn=Jude Dsouza gn=Jude Dsouza c=IN India l=IN India ou=Sanathan Textiles e=jude_dsouza@sanathan.com
Reason: I am the author of this document
Location:
Date: 2026-08-19 17:55+05:30

Jude Patrick Dsouza
Company Secretary and Compliance Officer

Encl: As above.

Sanathan Textiles LTD.

One Yarn,

AERO **S** PACE
B **A** ANDAGES
CA **N** VAS
DR **A** PERY
ELAS **T** IC
FAS **H** ION
G **A** RMENTS
HA **N** DKERCHIEFS
INDUSTRIAL BELTS
JACKE **T** S
KNITW **E** AR
LU **X** URY
MA **T** TRESSES
NAPK **I** NS
OVERAL **L** S
PILLOWCAS **E** S
QUILT **S**
ROPES
SPORTS JERSE **Y** S
T **A** PESTRY
UMB **R** ELLAS
VE **N** ETIAN BLINEDS
WIND **S** OCKS
X-RAY APRONS
YACHTING
ZARI & SAREES

Many Things.

ANNUAL REPORT
2025-26



READ INSIDE THE REPORT

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Scan the QR code to know more about the company

changing market cycles while enabling us to respond quickly to emerging opportunities across the textile value chain.

FY26 marked another important milestone in this journey. The successful commissioning and ramp-up of our Punjab manufacturing facility has strengthened our manufacturing footprint, brought us closer to customers across North India's textile clusters and created a scalable platform for the next phase of growth. The encouraging response from customers reaffirms our belief that long-term relationships are built on consistency, quality and the confidence that comes from dependable execution.

As we look ahead, we do so with the same sense of purpose that has shaped our journey from the beginning. Our values continue to anchor every decision we make, while our ambition drives us to explore new possibilities, strengthen our capabilities and create value that extends well beyond our business. It is this balance between conviction and aspiration that enables us

TO WEAVE A BETTER TOMORROW FOR OUR CUSTOMERS, OUR PEOPLE, OUR COMMUNITIES AND THE INDUSTRY WE ARE PROUD TO SERVE.

The textile industry has always demanded the ability to adapt. Consumer preferences evolve, markets shift, technologies advance and supply chains realign. Businesses that endure remain relevant through change without losing sight of the values that define them.

That has been the journey of Sanathan Textiles. While our business has expanded over the years, one principle has remained constant: building capabilities that create lasting value. Our diversified yarn portfolio, spanning polyester filament yarns,

cotton yarns and technical textiles yarns, serves a wide spectrum of industries and applications. This sector-agnostic approach has given our business the resilience to navigate

Who We Are

DRIVING PROGRESS, THREAD BY THREAD

As an integrated yarn manufacturing Company, we remain committed to creating enduring stakeholder value through consistent innovation and operational excellence.

With a diversified product portfolio spanning polyester filament yarns, cotton yarns and technical textiles, we cater to a diverse range of industries and applications. By harnessing advanced manufacturing technologies while prioritising quality, agility and product development, we deliver advanced solutions in alignment with evolving customer and market requirements.

We remain well positioned for long-term progress with disciplined execution and consistent operational excellence. Our commitment to sustainable value creation is reinforced by our manufacturing footprint expansion. While bolstering our integrated capabilities, we continue to drive meaningful progress through innovation and strategic collaboration.



2
Strategic Locations

479,250 MTPA
Installed capacity

7,000+
Customer Network

92%
Customer retention Network

27
Pan-India Network

29+
Export Distribution Network

Our Vision

To be a trusted global leader, shaping the world of fashion and performance textiles, through innovative and sustainable solutions

WHAT SETS US APART

Integrated Manufacturing Excellence

Both our Silvassa and Punjab facilities are backward integrated and that gives us control over quality, production efficiency and customisation, while automation and in-line process monitoring hold consistency and support cost efficiency allowing us to deliver differentiated solutions at scale across polyester filament yarn, cotton yarn and yarns for technical textiles.

Diversified Product Portfolio and Customer-Centric Innovation

We serve diverse end-use industries through a comprehensive portfolio spanning polyester filament yarns, cotton yarns and technical textile yarns, along with specialised value-added products. Our customer-led innovation approach enables us to develop customised solutions, thereby fostering enduring partnerships while expanding our presence across high-value applications.

Scalable Manufacturing Platform

We consistently bolster our manufacturing resilience through disciplined capacity expansion and efficient project execution. The successful commissioning and advancements of our Punjab facility has significantly accelerated our production scale, thereby expanding our regional presence while driving sustained progress.

Operational Agility and Extensive Market Reach

By leveraging our extensive distribution network, diversified manufacturing locations and supply chain agility, we remain dedicated to address consumer requirements across domestic and export markets. Our integrated market presence accelerates product development while enhancing demand visibility through efficient capacity deployment.

Responsible and Sustainable Manufacturing

We prioritise sustainability across our manufacturing operations through resource-efficient production and sustainable technologies in alignment with circular economy principles. Our initiatives, including Zero Liquid Discharge (ZLD) adoption, biomass-based energy utilisation, Global Recycled Standard (GRS) compliance while promoting recycled yarns, reinforce our commitment to deliver long-term stakeholder value through responsible progress.

Experienced Leadership, Professional Execution

Sanathan Textiles is promoted by the Dattani Family, with hands-on experience in the yarn industry, supported by a professional management team with expertise across operations, quality, sales and finance. This combination balances long-term owner-led vision with disciplined professional execution and accountability. Independent Board oversight, structured committee governance and listed-company disclosure standards further reinforce a transparent and accountable approach to decision-making and growth.

Geography as strategy

POSITIONED BY DESIGN

Each site removes a different cost from the same value chain. Silvassa sits close to the ports. Punjab sits close to the North India Textile Market.





Silvassa

LOCATION ADVANTAGE

Proximity to the **western ports gives direct access for raw material inward and for shipments to customers and agents overseas.**

MARKETS SERVED

Export orders, together with deliveries across **West and South India.**

PRODUCT SCOPE

All three verticals fulfilled from one site — **polyester filament yarn, cotton yarn and Technical Textiles.**

OPERATING PERFORMANCE

Capacity utilisation of **96%.**

SUSTAINABILITY

Zero liquid discharge, **tree plantation on site**, and **GRS-certified processes** for recycled product lines. **Pallet usage** instead of carton packaging.

Punjab

LOCATION ADVANTAGE

PTA and **MEG** sourced from the North India market, shortening the inbound leg. **Panipat, Delhi NCR and Ludhiana all sit within roughly 200 km.**

MARKETS SERVED

The **North India textile hubs**. Customers save freight, receive material faster, and no longer hold the 7–10 days of buffer inventory that ordering from the west required.

PRODUCT SCOPE

Polyester filament yarn.

OPERATING PERFORMANCE

700 MTPD — the only integrated plant of this scale in **North India**. Average capacity utilisation of **80%** and will reach **95%.**

SUSTAINABILITY

Zero liquid discharge and tree plantation. **Agri-waste fires our heating, displacing non-renewable fuel**. **Pallet packing** reduces packaging cost, and lower freight distance cuts both cost and supply chain emissions.



Our Global Footprint

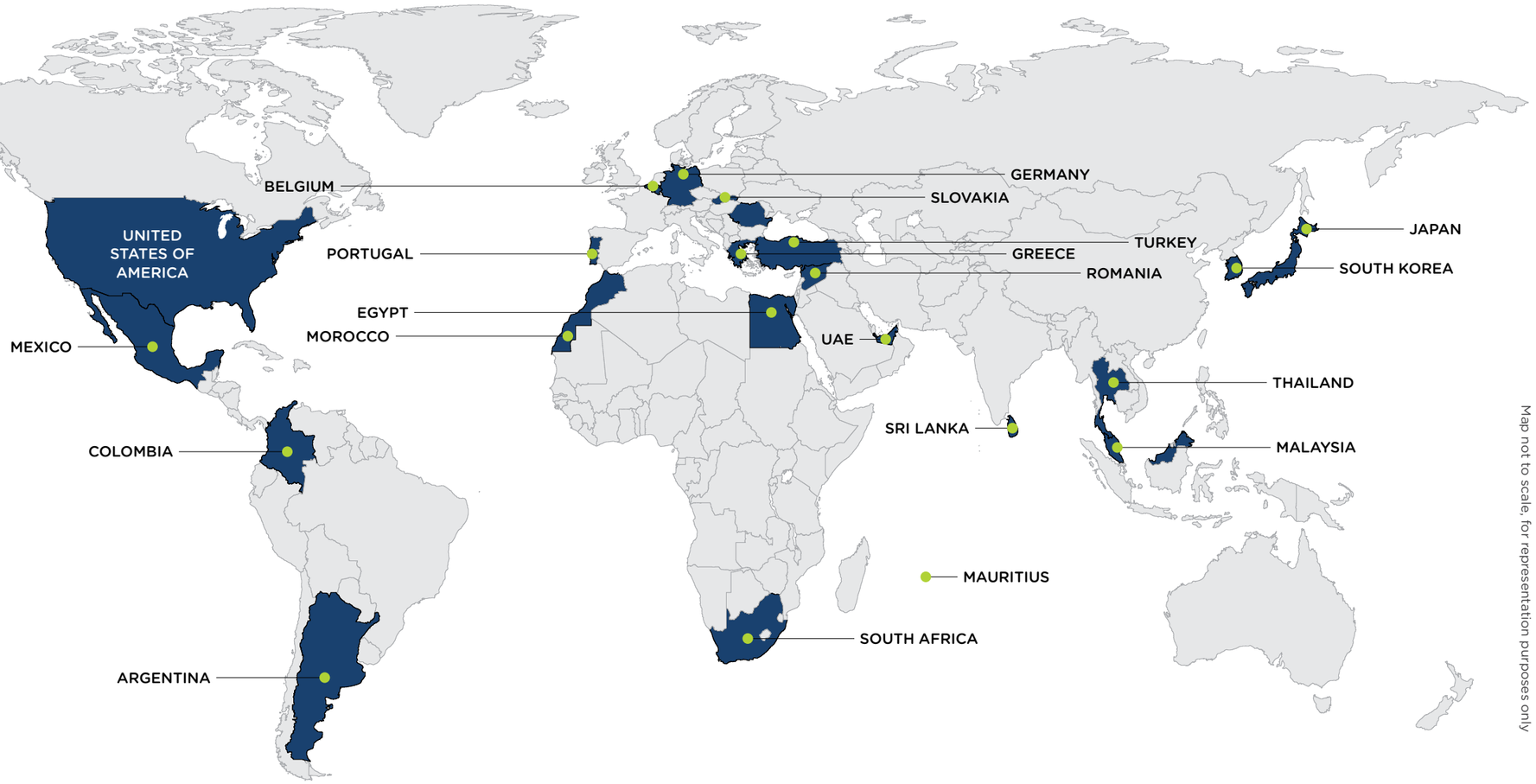
KNITTING CONNECTIONS, BEYOND BORDERS

With an integrated domestic manufacturing base, we have steadily expanded our presence across international markets by delivering consistent value. We have emerged as a reliable provider of diverse solutions through our customer-centric approach.

Our expansive footprint, across multiple geographies reinforces the enduring customer relationships we have established worldwide. We remain committed to address diverse market requirements with resilience and confidence.



COUNTRIES WHERE OUR YARNS WERE EXPORTED, BEYOND BORDERS IN FY26:



Map not to scale, for representation purposes only

Where Our Yarns Create Value

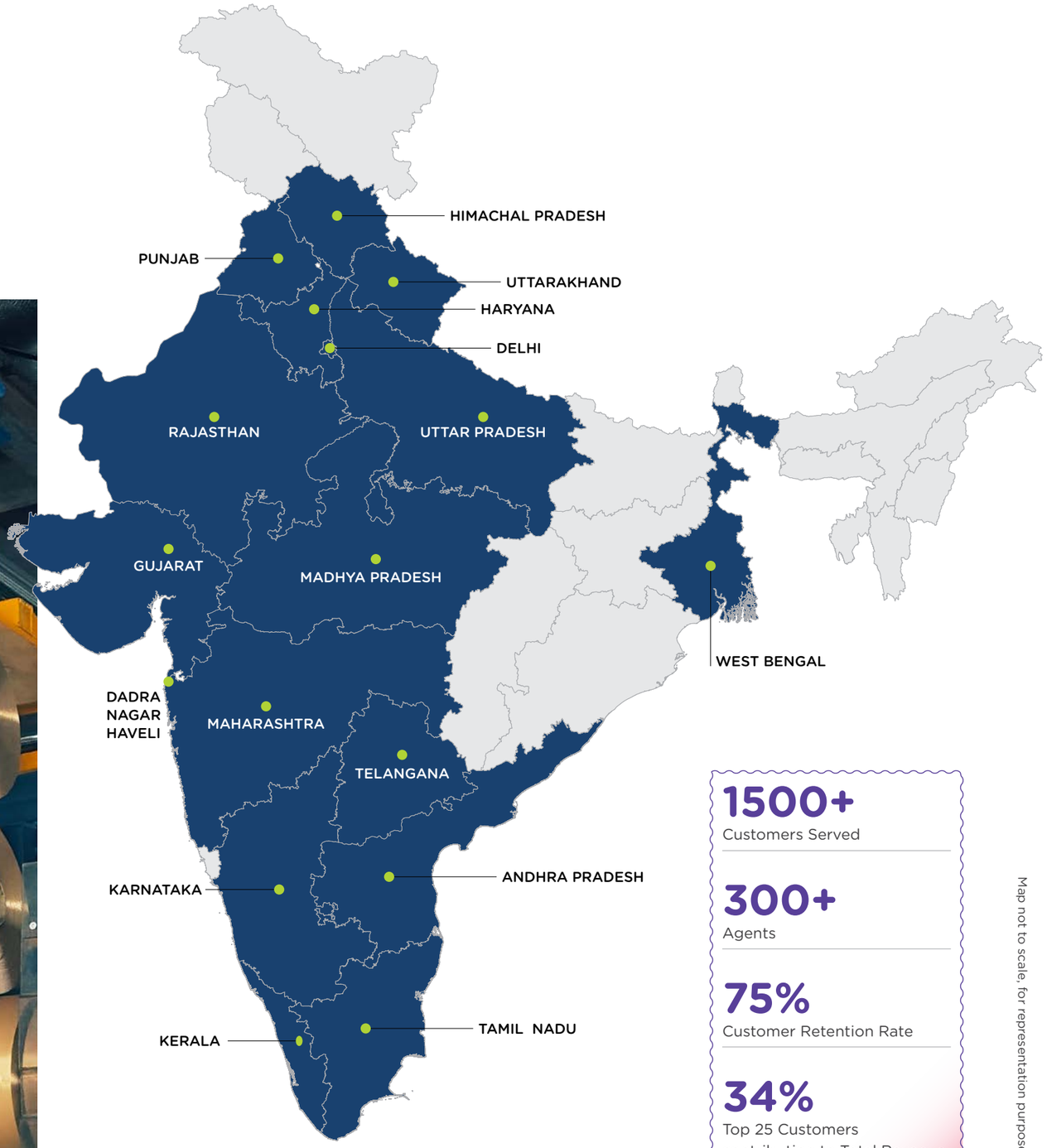
SPINNING EXCELLENCE, EMPOWERING POSSIBILITIES

India remains at the core of our manufacturing and customer ecosystem. Our integrated operations and extensive product portfolio enable us to serve diverse textile applications with quality, consistency and responsiveness.

With strong customer relationships and a growing domestic footprint, we continue to strengthen our position as a trusted yarn partner across India.



WHERE OUR YARNS REACHED IN FY 26 :



1500+
Customers Served

300+
Agents

75%
Customer Retention Rate

34%
Top 25 Customers contribution to Total Revenue.

Map not to scale, for representation purposes only

Business Overview

FABRIC OF TRUST

Our comprehensive business portfolio enables us to serve diverse industries through specialised, value-added and application-specific yarn solutions. Our primary business verticals include polyester filament yarns, cotton yarns and yarns for technical textiles.

Our manufacturing platform integrates scale, product innovation and operational excellence to address evolving customer requirements across lifestyle, industrial and technical applications. Consistent product development, manufacturing agility and strategic collaboration enable us to deliver sustained value with a customer-centric approach.



POLYESTER FILAMENT YARN

As a major business vertical, polyester filament yarns forms the cornerstone of our operations. With an integrated manufacturing platform and an extensive portfolio of specialty and value-added yarns, we offer superior quality products across apparel, home textiles, industrial and performance-driven applications. By leveraging our advanced manufacturing capabilities we deliver tailored solutions with agility and disciplined execution.

Key offerings

Polyester filament yarns offer versatile and advanced solutions. Their superior strength, durability and customisation capabilities reinforce their utility across diverse functional and aesthetic requirements.

- Partially Oriented Yarn (POY)
- Fully Drawn Yarn (FDY)
- Draw Textured Yarn (DTY)
- Air Textured Yarn (ATY)
- Twisted yarn
- Recycled yarn
- Blended yarn

End-use applications

Apparel	Sportswear and athleisure	Home textiles
Travel and leisure	Medical textiles	Automotive
Logistics and mobility	Infrastructure	Workwear



COTTON YARN

Backed by state-of-the art spinning infrastructure and premium raw material sourcing, the cotton yarn vertical delivers lightweight, superior quality yarns with consistency and efficient performance. The business caters to quality-conscious consumers across apparel and home textile applications through reliable manufacturing and in alignment with quality standards.

Key offerings

- Cotton combed compact yarn
  Count Range : 36s to 61s



End-use applications

Shirting	Denim	Bed linen
Innerwear	Knitting	Weaving

TECHNICAL TEXTILE YARN

Designed for advanced industrial applications, our technical textiles vertical manufactures specialised yarns that offer superior strength, dimensional stability and long-term durability. Bolstered by robust manufacturing capabilities and premium raw materials, the portfolio addresses critical applications requiring consistent engineering performance.

Key offerings

- High Tenacity Low Shrinkage yarn (HTLS)
- General High Tenacity yarn (GHT)
- High Tenacity Super Low Shrinkage yarn (HTSLS)
- High Tenacity Low Elongation yarn (HTLE)

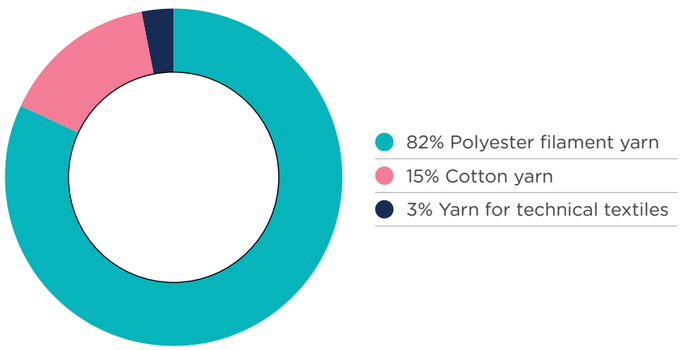
End-use applications

- Geogrids
- Industrial ropes
- Automotive applications
- Electrical and optical cables
- Coated fabrics
- Firefighting equipment
- Industrial stitching threads



VERTICAL-WISE REVENUE CONTRIBUTION

Revenue contribution (%)



STRATEGIC PARTNERSHIPS

We foster enduring customer relationships while prioritising consistent product quality, specialised product development and reliable performance. While bolstering our market position across domestic and international markets we consistently ensure innovation and operational excellence across our production processes. We remain committed to serve leading textile manufacturers across diverse end-use industries while leveraging our diversified product portfolio with advanced capabilities and capacities.



Chairman and Managing Director's Message

EVOLVING WITH A PURPOSE

DEAR SHAREHOLDERS,

It is my pleasure to present the Annual Report of Sanathan Textiles Limited for FY2025-26.

FY2025-26 will be remembered as a landmark year in Sanathan Textiles' journey. It was a year in which years of disciplined planning translated into meaningful progress, not only in terms of financial performance but also in strengthening our Company's long-term growth platform. We achieved our highest-ever annual revenue while successfully commissioning and ramping up the first phase of our Punjab manufacturing facility.

Large transformations, however, seldom unfold without short-term financial implications. The commissioning of our Punjab facility resulted in higher depreciation and finance costs, temporarily impacting our consolidated profitability during the year. Yet, these transitional effects should be viewed in the context of a business that has fundamentally become stronger. Our standalone operations continued to deliver steady growth, reaffirming the strength of our core operations.

This year's Annual Report is built around the theme - **One Yarn Many Things : Rooted in Values, Weaving a Better Tomorrow.** It captures the philosophy that has shaped Sanathan Textiles' journey over the past two decades. While our manufacturing footprint today extends from Silvassa to Punjab, our approach to building the business has remained unchanged. We have pursued growth with discipline, invested with conviction and stayed committed to creating long-term value. Those principles have enabled us to diversify across three yarn verticals, build manufacturing capabilities at scale and strengthen our position in an evolving industry. They will continue to guide us as we pursue the opportunities ahead.

INDUSTRY OUTLOOK

The Indian textile industry, too, is entering a new phase of opportunity. Global demand has shifted towards man-made fibres, India's fibre economy has been shifting to man-made fabrics. The Government's National Fibre Scheme, which seeks to rebalance India's fibre mix by 2030-31, reflects this structural shift and augurs well for companies such as Sanathan Textiles with capabilities across both cotton and man-made fibre yarns.



₹3,811.18 Crores
Revenue

₹284.35 Crores
EBITDA

This momentum is already visible. Exports of man-made yarn, fabrics and made-ups increased while business sentiment strengthened during the second half of FY26, particularly across export-oriented segments such as garments and home textiles. Supported by improving domestic demand, favourable policy initiatives and India's growing importance in global supply chains, the industry is well positioned for sustained growth. With our diversified portfolio, expanding manufacturing footprint and customer-centric approach, we believe Sanathan Textiles is well placed to participate in this opportunity.

FINANCIAL PERFORMANCE

This confidence is reflected in our performance during the year. Consolidated revenue grew by 27.10% to a record ₹3,811.18 Crores, while EBITDA increased 7.90% to ₹284.35 Crores. Although the commissioning of our new Punjab facility temporarily impacted profitability through higher depreciation and finance costs, these are investments in future capacity and competitiveness. As utilisation improves, we expect stronger operating leverage, better absorption of fixed costs and a corresponding improvement in margins.

PORTFOLIO AND VALUE-ADDED STRATEGY

Our diversified portfolio remains one of our greatest strengths. Today, we operate across three complementary business verticals: polyester filament yarns, cotton yarns and technical textiles. Each addresses distinct end markets and demand cycles. While polyester is linked to the petrochemical value chain, cotton follows agricultural cycles and technical textiles are driven by industrial and infrastructure demand. This diversified presence enables us to respond to changing market conditions with greater resilience while creating multiple avenues for long-term growth.

During the year, polyester filament yarns grew by 35.3% to ₹3,118.31 Crores, contributing 82% of our revenue, while cotton yarns recorded growth of 3% to ₹583.00 Crores. Technical textiles, though currently a smaller part of our portfolio, continue to represent a significant growth opportunity. To strengthen this business, we are expanding our technical textiles capacity at Silvassa from 9,000 MTPA to 18,000 MTPA and are also progressing plans to establish a new cotton yarn manufacturing facility in Madhya Pradesh.

As we often say, commodity yarn is a price business, but specification yarn is a relationship business. This philosophy continues to shape our product development efforts. Our portfolio today includes value-added offerings such as cationic dyeable, born-dyed and moisture-wicking yarns, as well as specialised technical textile yarns designed to meet evolving customer requirements.

OPERATIONS AND MANUFACTURING

With installed capacity now reaching 479,250 MTPA across our three business verticals, Sanathan has evolved significantly from its modest beginnings with a capacity of 4,500 MTPA. This expansion reflects our ability to execute complex projects with discipline while laying the foundation for future growth.

The continuous polymerisation line at Punjab was commissioned in August 2025 and ramped up to 700 MTPD by March 2026, reflecting the commitment and execution capabilities of our teams. Strategically located, the facility strengthens our presence across North India by improving proximity to customers and enhancing logistics efficiency, while our Silvassa operations continue to serve domestic and export markets through their access to India's western ports. During the year, incremental volumes from Punjab were successfully absorbed across the North Indian textile market, enabling us to broaden our customer base while improving responsiveness across key textile clusters.

SUSTAINABILITY

At our Punjab facility, sustainability has been integrated into the manufacturing process from the outset. The plant uses Agri Waste as a renewable heating fuel, treats all process water through a Zero Liquid Discharge (ZLD) system and operates in accordance with the Global Recycled Standard. It is further supported by internationally recognised certifications, including OEKO-TEX and ISO standards. Pallet packing has reduced our packaging cost while removing carton usage from the despatch process to the extent possible.

Our commitment extends beyond our operations to the products we manufacture. Several of our value-added yarns enable customers to reduce the environmental impact of their own processes. For instance, our born-dyed yarn eliminates the conventional dyeing stage, significantly reducing water consumption while removing an entire wet processing step from downstream operations.

OUTLOOK

Our immediate priorities remain to optimise and improve our efficiency of our expanded manufacturing platform while driving higher capacity utilisation and operational efficiency. Supported by improving export sentiment, favourable trade agreements and the continued diversification of global sourcing towards India, we believe the industry is well positioned for sustained growth. With our new plant and machinery in place for the expansion of the Technical Textiles at Silvassa, we shall soon commence commercial production. The planned commissioning of Phase II of our Punjab facility by the end of FY27 and our proposed cotton yarn project in Madhya Pradesh will further strengthen our growth platform.

I extend my sincere gratitude to our employees for their dedication and commitment through this transformational year. I also thank our shareholders, customers, lenders and business partners for their continued trust and support. Together, we look forward to building on this momentum in the years ahead.

Sincerely,

Paresh Dattani
Chairman and Managing Director

Financial Highlights

Our consistent progress across key financial parameters reinforces the resilience of our business model.

Through disciplined execution, structured financial management and strategic expansion we continue to navigate evolving market environments with resilience and agility. We remain well positioned to capitalise on emerging opportunities while delivering long-term value, in alignment with our strategic business priorities.

SHOWCASING OUR POTENTIAL



REVENUE FROM OPERATIONS - Consolidated

(₹ in Crores)

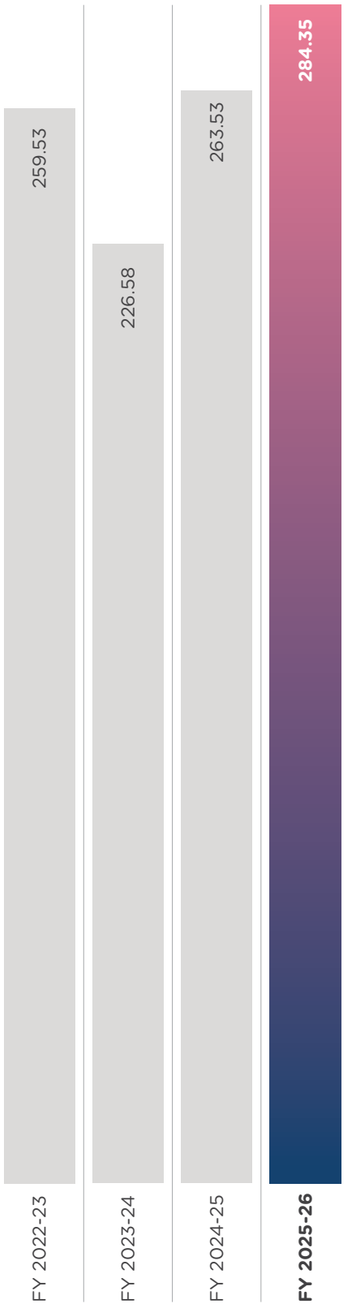
₹ 3,811.18



EBITDA - Consolidated

(₹ in Crores)

₹ 284.35





Operating Leverage

ENDURING STRENGTH, RESILIENT PERFORMANCE

While expanding our manufacturing footprint during FY 2025-26, we significantly leveraged our operational efficiency through integrated operations.

By bolstering our procurement capabilities we consistently enhanced supply chain visibility, thereby promoting greater manufacturing agility. Concurrently, we optimised cost efficiency while ensuring seamless business continuity, thereby accelerating sustained expansion in an evolving operating landscape.

STRATEGIC PROCUREMENT PRACTICES

We adopted a proactive procurement strategy to safeguard our operations from feedstock price fluctuations, elevated freight costs and geopolitical disruptions across the polyester value chain. Through timely sourcing of PTA and MEG, calibrated inventory planning and long-standing supplier partnerships, we ensured seamless raw material availability across our Silvassa and Punjab facility. Disciplined execution facilitated production continuity while enhancing our material cost ratio.



SUPPLY CHAIN VISIBILITY AND INTEGRATION

We have established an integrated operating model that streamlines procurement, manufacturing and distribution with a customer-centric approach. Our distribution network ensures early visibility in alignment with market requirements, thereby optimising inventory deployment, enhancing planning accuracy and accelerating product development. We remain poised to capitalise on emerging opportunities with agility and scalability while prioritising sustained value creation.

SUPPLY CHAIN

The commissioning of our Punjab facility has significantly bolstered supply chain resilience while promoting strategic expansion. Our Silvassa facility consistently leverages its strategic proximity to western ports for imported feedstock and export shipments. Through our operations in Punjab, we remain dedicated to serve North India's textile clusters by optimising lead times and enhancing logistics efficiency. Our manufacturing resilience is reinforced by our expansive network, enabling sourcing flexibility, promoting customer responsiveness while ensuring consistent operational efficiency. We aim to maximise productivity through structured execution and efficient production, thereby driving long-term progress.



Our Setup and Manufacturing Infrastructure

Our manufacturing infrastructure catalyses strategic expansion while promoting operational agility and sustained value creation.

While harnessing our integrated manufacturing capabilities at Silvassa, we significantly bolstered our greenfield facility at Wazirabad, Punjab. By leveraging our technology-driven manufacturing ecosystem we ensure consistent operational excellence through advanced automation, optimised production and digital quality monitoring. We remain committed to addressing evolving customer requirements by consistently delivering superior-quality yarn solutions.

Our manufacturing strategy is guided by disciplined, demand-led capacity advancements in alignment with evolving consumer requirements. Through consistent investments across integrated manufacturing, automation and sustainable infrastructure, we remain well positioned to capitalise on emerging opportunities. By promoting manufacturing efficiency, product consistency and operational flexibility we ensure strategic scalability in alignment with our long-term business priorities.

WEAVING INNOVATION INTO EVERY STAGE



SILVASSA MANUFACTURING FACILITY

Our Silvassa facility remains integral to our manufacturing operations, enabling the production of polyester filament yarns, cotton yarns and technical textile yarns through integrated manufacturing processes. During FY 2025–26, the facility maintained stable production amid market volatilities. By optimising resource utilisation while maintaining consistent operational excellence we continue deliver enduring stakeholder value.

223,750
Installed capacity

21
Years of operation

50
Acre manufacturing facility



INFRASTRUCTURE DEVELOPMENT

We continue to bolster our manufacturing resilience through investments in automation, intelligent material management, digital process controls and advanced quality monitoring systems. Accelerated by strategic forward and backward integration and partnerships with recognised global manufacturers, we significantly enhanced operational productivity. We prioritise product consistency to deliver superior quality, specialised yarn solutions tailored to specific customer requirements.

WAZIRABAD, PUNJAB MANUFACTURING FACILITY

The commissioning of our greenfield manufacturing facility at Wazirabad indicates a significant milestone in our growth journey. During FY 2025–26, the continuous polymerisation line was successfully commissioned and a **700 MTPD** capacity was registered on March 2026. While bolstering our integrated manufacturing capabilities, it drives sustained expansion in alignment with our strategic business priorities. The adoption of resource-efficient practices including ZLD systems, rice husk-based heating fuel and planned solar power initiatives further reinforces our commitment to sustainability.

255,500 MTPA
Installed capacity

80
Acre manufacturing facility

Status	Polyester Yarn Capacity	Cotton Yarn Capacity	Technical Textiles Capacity
Installed and in production	**200,750 MTPA** Polyester Yarn Capacity Silvassa	**14,000 MTPA** Cotton Yarn Capacity Silvassa	**9,000 MTPA** Technical Textiles Capacity Silvassa
Commissioned	**255,500 MTPA** Polyester Yarn Capacity **Phase 1** – Punjab Completed		
Installed, pending Commissioning			**9,000** MTPA Additional Technical Textiles – Plant and Machinery installed
Upcoming Capacity Expansion	**91,250 MTPA** Polyester Yarn Capacity **Phase 2** – Punjab	**73,000** Spindles Cotton Yarn Capacity Madhya Pradesh	

Quality and Research Excellence



BLENDING CRAFTSMANSHIP WITH STRATEGIC FORESIGHT

At Sanathan Textiles, we remain committed to ensure consistent quality and progressive innovation for long-term value creation.

With a customer-centric approach, we offer differentiated yarn solutions to address specific functional, aesthetic and performance requirements. Backed by our integrated manufacturing platform, advanced testing capabilities, digitalised operations and continuous process improvement, we consistently deliver superior quality solutions. We remain poised for sustained progress with our diversified portfolio across polyester filament, cotton and technical textiles while expanding our specialised, value-added yarns.

TESTING AND QUALITY INFRASTRUCTURE

Quality assurance is integral to our manufacturing process—from raw material selection to finished yarn dispatch. Our integrated manufacturing model enables stringent process control, thereby ensuring consistent product quality, colour accuracy, durability and performance. Our manufacturing facilities operate under ISO 9001:2015 quality management systems, while our products comply with OEKO-TEX® Standard 100 requirements, reinforcing customer confidence across domestic and international markets.

We maintain a customer-centric product development approach that enables us to address diverse end-use applications, technical specifications and colour requirements. Be offering tailored yarn solutions we cater to specialised performance needs. During FY 2025–26, the advancements in our Punjab manufacturing facility further enhanced manufacturing consistency while promoting operational stability and ensuring customer responsiveness. The facility has reinforced stakeholder confidence through its robust manufacturing capabilities by ensuring quality consistency and timely delivery, in alignment with technical specifications.



INNOVATION AND PRODUCT DEVELOPMENT

Innovation at Sanathan Textiles is driven by evolving customer requirements and dynamic market trends. We consistently bolster our portfolio of value-added yarns while prioritising functionality, manufacturing efficiency and specialised performance.

Our diversified portfolio includes:

- Cationic dyeable yarns with superior colour absorption.
- Dope dyed (born dyed) yarns minimise water consumption while enhancing colour consistency.
- Stretch yarns offer four-way stretchability without spandex utilisation.
- Moisture-wicking speciality yarns are suitable for sportswear and performance apparel.
- A comprehensive range of yarns serving apparel, home textiles, automotive, industrial and technical textile applications.

During FY 2025–26, we consolidated our presence in higher-value technical textile applications. The expansion of our technical textile capacity at Silvassa from **9,000 MTPA to 18,000 MTPA** is progressing rapidly. While bolstering our capabilities in specialised performance yarns and promoting product diversification, we consistently prioritise strategic value chain integration. We remain well-positioned to capitalise on emerging opportunities while leveraging our industry expertise and adopting sustainable technologies, to deliver enduring stakeholder value.



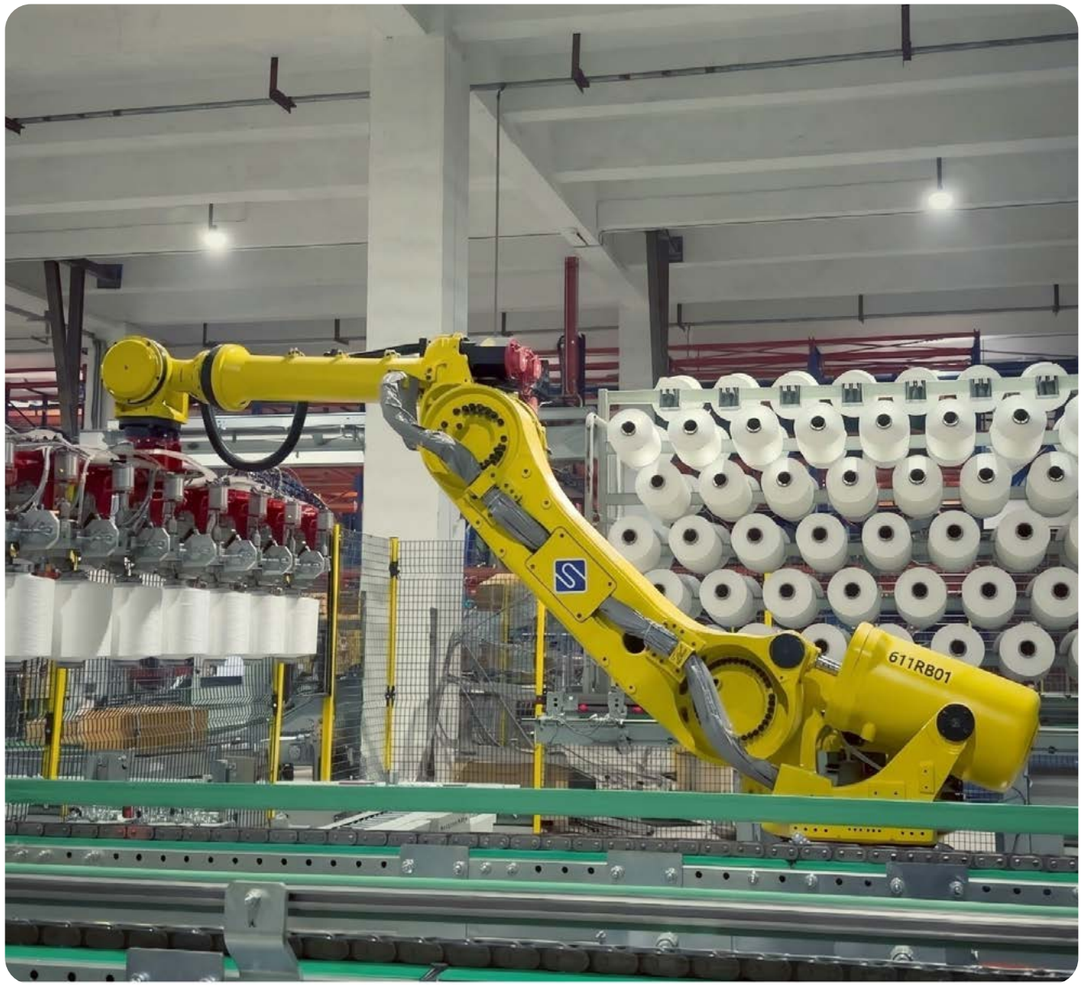
DIGITALISATION AND AUTOMATION

Technology remains pivotal in enhancing manufacturing efficiency while ensuring product consistency and maintaining operational excellence. We have progressively digitalised our production processes by integrating automation across production, warehousing and packaging operations.

Our key digital initiatives include:

- Automated doffing systems
- Automated warehousing and material handling
- Automated packaging operations
- Digitally integrated manufacturing enables real-time monitoring while enhancing production consistency.

These initiatives ensure reliability and productivity while bolstering our ability to provide differentiated solutions in alignment with strict quality standards.



SMART PRODUCTION AND DECISION-MAKING

We continue to advance intelligent manufacturing by prioritising operational excellence and disciplined execution through a customer-centric approach. During FY 2025–26, the progressive advancement of our Punjab facility, along with efficient resource utilisation at Silvassa, further reinforced our resilience and agility.

By leveraging our specialised technical textile capabilities through greater automation and digital integration, we aim to accelerate productivity to address evolving market requirements. As global brands transition towards sustainable operations, we ensure product traceability while maintaining quality assurance across our value chain. Through the adoption of responsible manufacturing practices, we remain dedicated to long-term value creation.



Value Creation Model

OUR LOOM OF SUSTAINABLE PROGRESS

INPUTS → VALUE CREATION PROCESS → OUTPUTS

Capacity in Polyester Yarn

200,750 MTPA
at Silvassa

255,500 MTPA
at Punjab

Capacity in Cotton Yarn

14,000 MTPA
at Silvassa

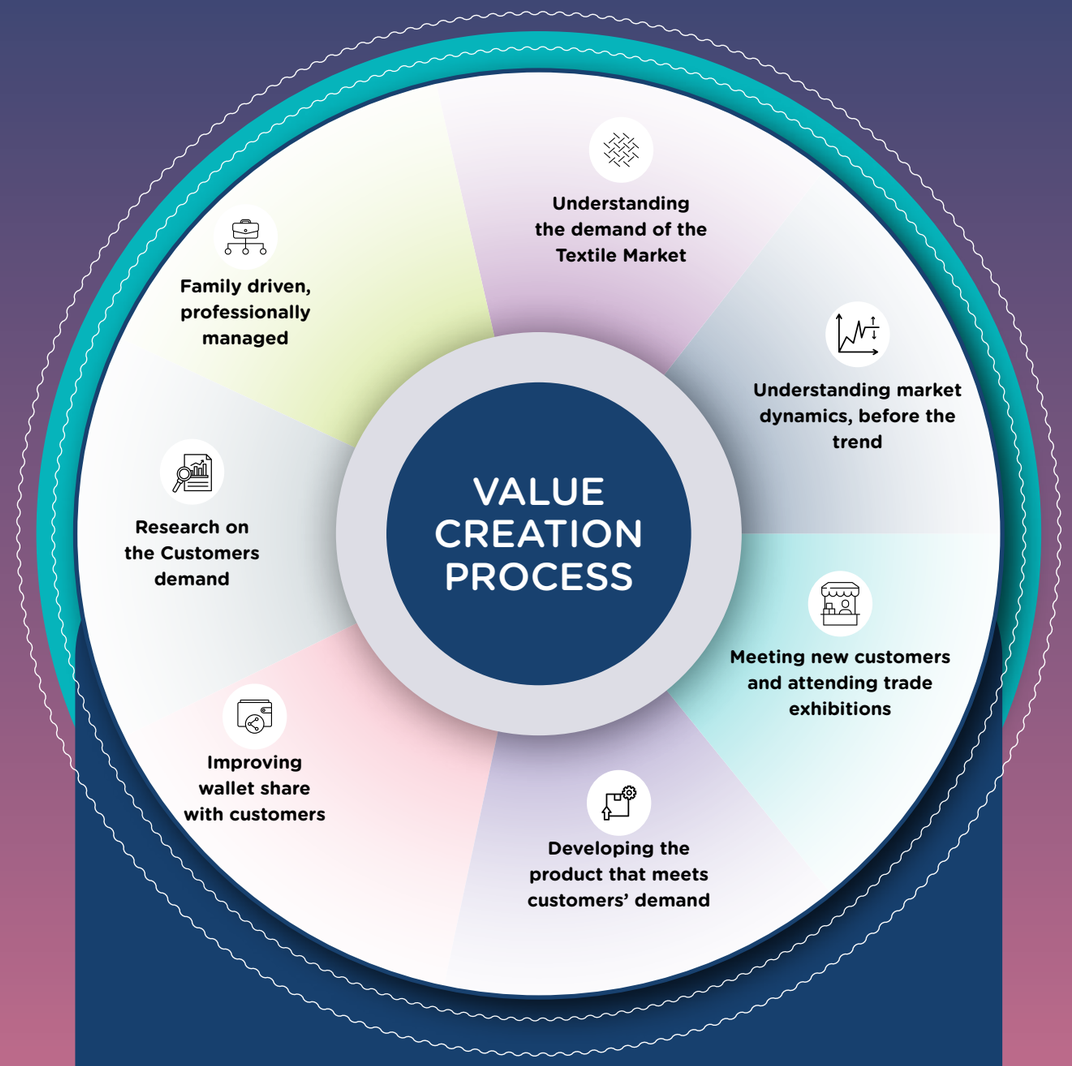
Capacity in Technical Textile Yarn

9,000 MTPA
at Silvassa

2
Integrated Manufacturing Plants (Silvassa and Punjab)

Silvassa
Advantage of near ports and the plant is focusing on capacity utilisation of 96%

Punjab
First Integrated Polyester Yarn manufacturing plant in North India which follows green manufacturing practices



In FY 2025-26

₹ 3,811.18 Crores
Revenue

₹ 284.35 Crores
EBITDA

In FY 2025-26

300+
Agents

50,000+
SKUs

1,843
Employees

6,053
Contract workers

17
states our yarns were distributed

21
Countries

1400+
Customers Serviced

Our People

In FY 2025-26, our people agenda focused on strengthening organisational culture, strengthening organisational culture, attracting and developing talent, and building a highly engaged workforce.

We continued to foster a workplace anchored in openness, transparency, learning and performance, while creating opportunities for employees to develop their capabilities, take on broader responsibilities and contribute to the Company's long-term growth.



1,843
Employees

7,896
Total Work force

6,053
Workers

₹125.28 crores
Employee Benefits Expense

BUILDING AND ENGAGING TALENT

In FY 2025–26, our strategic expansion initiatives necessitated focused talent acquisition to ensure seamless operational continuity across our facilities. The commissioning of the greenfield manufacturing facility required disciplined workforce planning, timely recruitment and effective onboarding, enabling capability development and disciplined execution in line with project delivery timelines.

We also encourage internal mobility by providing employees with opportunities to move across functions and plant locations based on their skills, potential and career aspirations. Such mobility enables cross-functional exposure, strengthens capabilities and prepares employees to take on larger roles and responsibilities.

Our performance management approach emphasises both delivery and behaviour. Clearly defined roles, responsibilities, KRAs and KPIs provide employees with clarity of expectations, while two-way performance conversations through Samwaad encourage open dialogue on performance, development and career aspirations.

During the year, 360-degree competency feedback was conducted for HODs, incorporating perspectives from reporting managers, team members, peers and cross-functional colleagues. This provided a holistic assessment of leadership and behavioural competencies while identifying areas for further development. Structured performance improvement mechanisms further supported employees in addressing identified gaps through coaching, clear expectations and focused development.

We foster a workplace where employees are encouraged to realise their potential and contribute meaningfully to collective progress. Our structured rewards and recognition framework acknowledges employees who demonstrate initiative, collaboration and excellence beyond their defined responsibilities, reinforcing a culture of performance, accountability and continuous growth. Recognition initiatives such as Employee of the Month, Employee of the Quarter and Employee of the Year further strengthen a culture of performance, ownership and appreciation.



EMPLOYEE ENGAGEMENT & ORGANISATIONAL CULTURE

We believe that an open and transparent workplace enables stronger collaboration, trust and employee engagement. During the year, we strengthened channels for employees to share ideas, experiences and concerns directly with senior management.

"Khul Ke Baat, Coffee Ke Saath" provides employees an informal platform to interact with the Chairman and Managing Director, enabling candid conversations without formal agendas or hierarchy. "HR Connect", a monthly forum with the CHRO, provides another channel for employees to share suggestions, concerns and experiences.

Employee engagement surveys and structured exit interviews provide insights into employee expectations, experiences and areas for improvement, helping the organisation identify opportunities to strengthen the employee experience and retain talent.



LEARNING AND CAPABILITY DEVELOPMENT

To address the evolving industry requirements, we foster a skilled and motivated workforce with advanced capabilities across manufacturing technologies. Our learning strategy prioritises consistent enhancement of technical expertise while promoting holistic development.

Technical training imparts functional knowledge across manufacturing operations, quality systems and process excellence, while behavioural programmes enhance communication, analytical thinking, decision-making and collaborative problem-solving. These initiatives enable employees to respond confidently across dynamic manufacturing environments.

Our learning culture was further supported through initiatives such as "Learning Bites", which provide employees with concise and practical learning inputs, and the "Sanathan Textiles' Library", encouraging self-directed learning and knowledge sharing. Monthly learning and development programmes covered technical, functional and behavioural capabilities.

During the year, "AI Fridays" was introduced to build awareness of artificial intelligence and encourage employees to explore the application of AI tools in their day-to-day work, supporting productivity and digital readiness.

Additionally, structured programmes included cyber security awareness, digital fraud prevention, digital data protection and prevention of sexual harassment, thereby reinforcing responsible workplace behaviour while ensuring technical competence.

Learning priorities

- Technical and functional excellence
- Process and quality management
- Leadership development
- Communication and collaboration
- Problem-solving and decision-making
- Digital and AI awareness
- Continuous learning and knowledge sharing



DIGITALLY ENABLED HR PRACTICES

Technology remains integral to the way we manage our people processes. We remain committed to ensure efficient, transparent and employee-centric operations.

Our digitally enabled HR ecosystem supports key activities including attendance management, payroll administration, employee records, performance evaluation and workforce analytics. These integrated systems significantly enhance operational efficiency while accelerating decision-making and ensuring consistent employee experience across our facilities.

Digital HR Priorities

- Digital HR workflows
- Attendance and payroll management
- Employee lifecycle management
- Performance management
- HR analytics and reporting
- Employee information systems

EMPLOYEE WELL-BEING AND WELFARE

We remain committed to creating an inclusive workplace that prioritises dignity, accountability and mutual respect. We promote equal opportunities across our operations, thereby empowering every individual through holistic development.

We prioritise equality across our corporate office and manufacturing facilities at Mumbai, Silvassa and Punjab. Women contribute across diverse functions, thereby reinforcing our organisational capability through diverse perspectives and specialised capabilities.

We conduct regular awareness programmes on the Prevention of Sexual Harassment (POSH), to promote employee awareness. We maintain transparency and accountability through well-defined rights and responsibilities while fostering a respectful working environment built on trust and ethical conduct.

Our employee commitment

- Equal workplace opportunity
- Diversity and inclusion
- Prevention of Sexual Harassment (POSH)
- Employee engagement
- Ethical workplace practices
- Respect and dignity



WORKPLACE HEALTH AND SAFETY

Operational excellence begins with safe operations. Effectively safeguarding the health and safety of our employees, workers and business partners remains fundamental to our business framework.

Our dedicated safety and security team collaborates with operational teams to ensure preventive safety practices into everyday activities, across facilities. Safety management is promoted through regular workplace inspections, risk assessments, employee awareness initiatives and consistent environment to minimise workplace hazards.

As manufacturing operations continue to expand, we prioritise a proactive safety culture where individual actions are in alignment with necessary workplace regulations.

Our safety priorities

- Dedicated safety and security team
- Preventive safety practices
- Workplace risk assessments
- Safety awareness programmes
- Workplace inspections
- Incident reporting and mitigatory measures
- Consistent safety enhancement



SUSTAINABLE SOLUTIONS AND CIRCULAR PRACTICES

Our people remain integral to advancing responsible manufacturing practices across our operations. We focus on improving resource efficiency, reducing environmental impact and adopting sustainable solutions across water, energy, packaging and supply-chain management.



Sustainability in action

Zero Liquid Discharge

Treating and reusing water within both manufacturing plants, with no treated wastewater discharged outside the facilities.

Dope Dyed Technology

Adding colour at the yarn stage to reduce water consumption associated with conventional dyeing processes.

Agri-waste for Heating

Using agricultural waste as a heating fuel, reducing reliance on traditional non-renewable energy sources.

Captive Power

Developing captive power capabilities to support a hybrid energy mix and optimise power consumption across operations.

Reusable Pallet Packaging

Using pallets in place of cartons and bringing them back for reuse, reducing packaging consumption while supporting cost efficiency.

North India Supply Chain Advantage

Sourcing raw materials, manufacturing products and serving the North India textile market within the region, reducing transportation requirements and associated emissions.

Green Belt Development

Creating and maintaining green belt areas around manufacturing facilities to support the surrounding environment.

ESG



OUR PROMISE TO PEOPLE AND THE PLANET

At Sanathan Textiles, we recognise sustainability as the cornerstone of a resilient and future-ready business. It influences how we invest, manufacture and deliver long-term value for our stakeholders

As expectations around responsible sourcing, traceability and environmental performance continue to evolve, we consistently bolster our manufacturing capabilities to address customer requirements in alignment with global sustainability standards.

ESG PRIORITIES

Focus area			
Environmental stewardship	**Resource efficiency**	**Community development**	**Responsible Growth**
Our commitment			
Conserving natural resources through responsible manufacturing and environmental management.	Enhancing energy, water and material utilisation across our operations.	Ensuring community well-being through targeted health and safety initiatives across our areas of operation.	Integrating sustainability into long-term value creation for all stakeholders.

OUR SOCIAL COMMITMENT

We recognise that sustainable growth extends beyond business performance. We aim to contribute meaningfully to the development of communities across our areas of operation. By integrating environmental stewardship and resource efficiency into our business strategy, we strive to create sustained value while reinforcing stakeholder confidence.

FY 2025–26 Sustainability Highlights

- Adopted rice husk biomass as a renewable heating fuel and promoted renewable energy initiatives. The adoption of wind and solar power is expected to address approximately 70% of the annual energy requirement at our Punjab facility.
- Achieved 100% treatment and reuse of process water through a ZLD system, thereby ensuring responsible water stewardship.
- Bolstered circular manufacturing through the production of recycled polyester yarns from recycled PET waste and GRS aligned operations.
- Increased the utilisation of dope-dyed yarn technology, thereby enabling significant minimisation in downstream water, chemical and energy consumption across the textile value chain.
- Enhanced product traceability and responsible manufacturing practices to address evolving customer expectations in alignment with global sustainability standards.



ENERGY EFFICIENCY

We prioritise energy utilisation across our operations. During the year, we progressively transitioned towards cleaner energy sources to minimise emissions, enhance energy security while optimising operating costs. Alongside renewable heating through biomass, we advanced renewable energy initiatives aimed at long-term decarbonisation to ensure sustainable manufacturing operations.

Key Highlights

- Renewable heating through rice husk biomass
- Approximately 70% of renewable power planned for the Punjab facility
- Minimised carbon emissions while enhancing energy efficiency
- Sustained reduction in per tonne energy expenditure

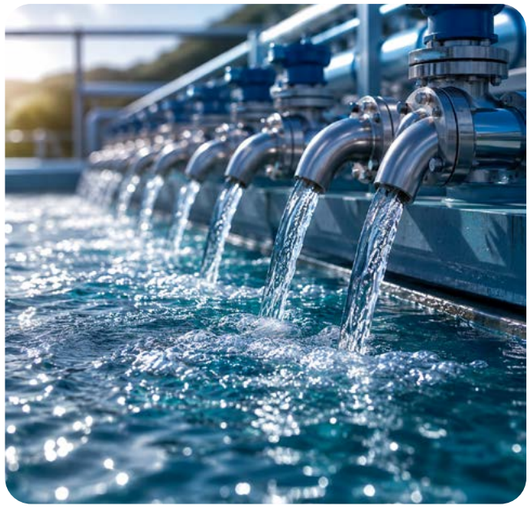


WATER STEWARDSHIP

Water stewardship remains integral to our manufacturing framework. Through ZLD systems and process innovations including dope-dyed yarn technology, we consistently minimise freshwater utilisation, maximise water reusability while lowering our environmental impact across the textile value chain.

Key Highlights

- 100% treatment and reuse of process water through ZLD adoption
- Eliminating Industrial effluent discharge from our Punjab facility
- Minimising downstream water consumption through dope-dyed technology
- Optimised water utilisation across the textile value chain



WASTE MANAGEMENT AND CIRCULARITY

We consistently promote circular manufacturing through the efficient utilisation of recycled raw materials. We operate with certified production systems, and prioritise traceability enhancement, in alignment with evolving sustainability requirements.



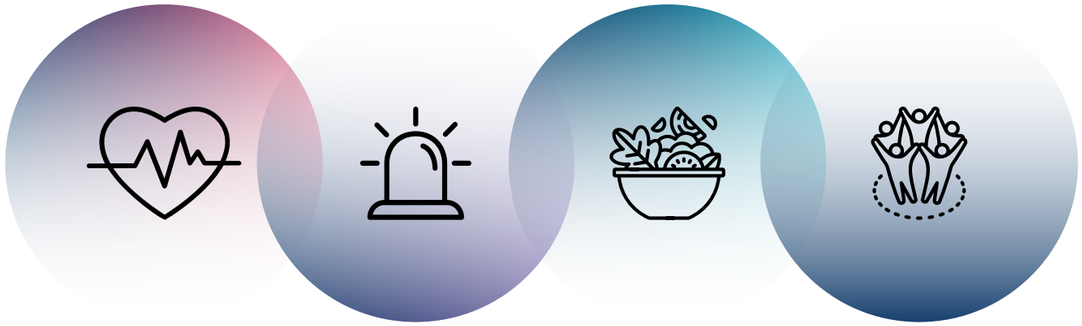
Key Highlights

- Recycled polyester yarns manufactured from recycled PET waste
- GRS aligned manufacturing framework
- Advanced circular manufacturing practices
- Enhanced product traceability across the value chain

CREATING SHARED VALUE THROUGH CSR

Our CSR initiatives are aimed at empowering the communities across our areas of operations. In alignment with our strategic business priorities, we consistently invest in initiatives that address local priorities while ensuring meaningful social impact by promoting healthcare accessibility, emergency preparedness, community welfare and hunger alleviation.

Community Development



Healthcare

Supported local healthcare institutions by contributing critical medical equipment, including ICU beds, ventilators, ECG machines and patient monitoring systems.

Emergency Preparedness

Bolstered local emergency response capabilities by providing a fire tender, thereby enhancing community safety and disaster preparedness.

Hunger Eradication

Supported food distribution programmes for economically vulnerable communities to enhance food security.

Community Welfare

Sustained initiatives aimed at community well-being, healthcare development and inclusive social progress.



Governance

TIED TO INTEGRITY

Sustainable progress is anchored in a strong foundation of ethics, transparency and responsible governance practices. We remain committed to conduct our business with integrity, accountability and unwavering compliance while progressively scaling our integrated operations.

Through strategic market expansion, we remain well-positioned for enduring success in alignment with our robust governance framework. We continue to bolster operational resilience through informed decision-making and effective oversight to deliver long-term stakeholder value.



CORPORATE GOVERNANCE FRAMEWORK

Board-led strategic oversight	**Independent and transparent decision-making**	**Robust internal control systems**	**Robust risk management practices**
Regulatory compliance across operations	**Ethical leadership and accountability**	**Transparent stakeholder communication**	**Long-term sustainable value creation**

CODE OF CONDUCT

Our Commitments

Act with integrity and honesty	**Conduct business ethically and responsibly**	**Comply with all applicable laws and regulations**	**Promote transparency and accountability**
Respect people, diversity and inclusion	**Avoid conflicts of interest**	**Safeguard Company assets and confidential information**	**Encourage responsible reporting of concerns**



Board of Directors



Our progress is consistently driven by the vision, experience and strategic leadership of our promoters, Board of Directors and senior management team.

Backed by robust domain expertise across the textile value chain, we consistently prioritise operational excellence, innovation and sustainable progress. Our presence of independent directors bolsters our governance framework through strategic oversight, thereby enabling informed decision-making while reinforcing accountability. We remain dedicated to are establish a resilient, future-ready organisation that create enduring stakeholder value.



PARESH DATTANI
Chairman & Managing Director

More than 2 decacies of experience

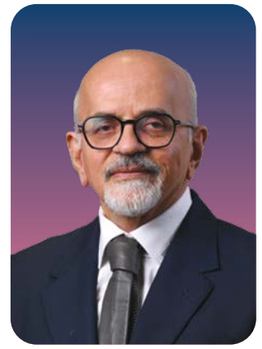
Responsible for supervision of overall performance of our Company



AJAYKUMAR DATTANI
Joint Managing Director

More than 2 decades of experience

Responsible for managing the finance, operations, and cotton business



ANILKUMAR DATTANI
Executive Director

More than 2 decades of experience

Responsible for overseeing various functions of our Company inter alia corporate social responsibilty and general administration



SAMMIR DATTANI
Executive Director

More than 15 years of experience

Responsible for the FDY business, raw material procurement, corporate strategy branding and digital transformation



DEBABRATA SARKAR
Independent Director

Over 4 decades of experience in Banking and Financial Services

Was an Executive Director of Allahabad Bank in 2009 and was appointed as Chairman and Managing Director of the Union Bank of India



KHURSHED THANAWALLA
Independent Director

Over 4 decades of experience across the entire textile industry spectrum

He retired as Country Representative-India for Oerlikon Group in 2016, and as a Chairman of Oerlikon Textile India Private Limited till 2021



VINAY AGGARWAL
Independent Director

Over 4 decades of experience

Previously associated with TCS and served as a Director of Finance for Tata Burroughs Samstack, an Indian entity of Burroughs Corporation



RUPAL VORA
Independent Director

Over 3 decades of experience

Member of Bar Council of Maharashtra and Goa Bar Association and a Member of the Institute of Directors since 2020

Our Senior Management



LEADING WITH CONVICTION

Our senior management team empowers our operational resilience with strategic insight, industry expertise and specialised abilities to drive long-term expansion.

Strategic collaboration the Board facilitates disciplined execution while ensuring agility, innovation and robust governance. We continue to bolster our execution capabilities across our business verticals with diverse capabilities spanning manufacturing, supply chain, finance and marketing. In alignment with regulatory standards, we drive long-term value creation while capitalising on emerging opportunities.



VARUN DATTANI
Executive President
Export and Yarns for Technical Textiles



MIKESH DATTANI
Executive President
Production Planning



BEENA DATTANI
Executive President
Social Welfare



AAKASH DATTANI
Executive President
Finance and Sustainability



MANDIRAMOORTHY PALANISAMY
President
Cotton Division



KAUSHIKKUMAR MODY
Executive President
Operations and Administrations



RAJ KAPADIA
President
Domestic Sales



NACHIMUTHU SENTHILVEL
Site President
Silvassa



GULVINDER SINGH
Site President
Punjab



DEEPAK PRASAD
Chief Safety and Security Officer



SANJAY SHAH
Chief Financial Officer



JUDE PATRICK D'SOUZA
Company Secretary and Compliance Officer

OM SHANTI



SHRI VALLABHDAS VRAJDAS DATTANI
August 22, 1942 - August 14, 2026

It is with profound sorrow that Sanathan Textiles announces the demise of

SHRI VALLABHDAS VRAJDAS DATTANI

Every institution carries within it the imprint of the people who shaped its earliest years. For Sanathan Textiles, that imprint belongs, in large measure, to Shri Vallabhdas Vrajdas Dattani.

He belonged to the first generation of this Company - among those who gave it its founding direction and saw it through the years when its future was still being written. In those formative years, the Company's Governance, banking relationships, its taxation matters and its earliest community initiatives all ran through him.

Those who worked alongside him remember him less for the decisions he took and more for the manner in which he took them - with patience, fairness, and with an instinctive concern for the people the decisions would affect. That same instinct shaped his lifelong commitment to giving. Philanthropy was not, for him, an obligation discharged at the end of a financial year. It was simply a way of living. His generosity found expression in the causes he supported quietly and in the community work he championed, and it became the moral foundation of the Company's own approach to Corporate Social Responsibility.

The Board of Directors, the management and the entire team at Sanathan Textiles Limited place on record their profound sorrow at his passing, and their enduring gratitude for a lifetime of contribution. His counsel shaped this Company. His character shaped the people within it.

WE REMEMBER HIM WITH RESPECT, WITH AFFECTION, AND WITH GRATITUDE.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Paresh Dattani
Chairman and Managing Director

Mr. Ajaykumar Dattani
Joint Managing Director

Mr. AnilKumar Dattani
Executive Director

Mr. Sammir Dattani
Executive Director

Mrs. Rupal Vora
Independent Director

Mr. Debabrata Sarkar
Independent Director

Mr. Vinay Aggarwal
Independent Director

Mr. Khurshed Thanawalla
Independent Director

REGISTERED OFFICE

SRV NO. 187/4/1/2, Near Surangi Bridge,
Surangi, Dadra & Nagar Haveli,
Silvassa - 396230, India

CORPORATE OFFICE

D-15, Trade World Building Kamala Mills,
Compound, Senapati Bapat Marg
Lower Parel, Mumbai – 400013,
Maharashtra, India,
Email: investors@sanathan.com,
Tel: + 91 22 6634 3312/3/4/5/6

SALES OFFICE

Surat, Panipat, Ludhiana, Tirupur

KEY MANAGERIAL PERSONNEL

Jude Patrick D'souza
Company Secretary and
Compliance Officer

Sanjay Shah
Chief Financial Officer

CONTACT FOR QUERIES

Jude Patrick D'souza

Email: investors@sanathan.com

Tel: + 91 22 6634 3312/3/4/5/6

NAME OF THE SUBSIDIARIES

1. Sanathan Polycot Private Limited
2. Universal Texturisers Private Limited

AUDITORS

Walker Chandiok & Co LLP
Statutory Auditors

DVD and Associates
Secretarial Auditors

Mahajan & Aibara LLP
Internal Auditors

Saroj K Babu & Co.
Cost Auditors

BANKERS

Bank of Baroda
Union Bank of India
Standard Chartered Bank
Indusind Bank
Punjab National Bank



Directors' Report

Dear Members of
Sanathan Textiles Limited

Your Board of Directors are pleased to present the 21st Directors' Report, together with the Audited Standalone and Consolidated Financial Statements of Sanathan Textiles Limited ("Sanathan Textiles" or "the Company"), for the Financial Year ended March 31, 2026.

1. FINANCIAL RESULTS:

The summarized results of your Company are given in the table below.

(₹ in crores)

Particulars	Standalone Results		Consolidated Results	
	FY 2025-2026	FY 2024-2025	FY 2025-2026	FY 2024-2025
Total Income	3,092.49	3,025.74	3,830.58	3,015.35
Total Expenses	2,795.79	2,749.22	3,622.68	2,753.04
Profit / (Loss) before Tax & Depreciation	296.70	276.52	207.90	262.31
Depreciation	49.22	45.43	93.10	45.86
Profit Before Tax	247.48	231.09	114.80	216.45
Provision for tax / Deferred Tax Expenses	55.57	56.62	37.45	56.00
Profit after Tax	**191.91**	**174.47**	**77.35**	**160.45**

During FY 2025-26 your Company delivered its highest-ever consolidated revenue of ₹3,811.18 Crores, a growth of 27.10% over the previous year, driven principally by the commissioning and rapid ramp-up of the Punjab facility (operated through the wholly owned subsidiary Sanathan Polycot Private Limited) alongside continued optimal-capacity operation at Silvassa. Consolidated EBITDA grew 7.90% to ₹284.35 crores. Consolidated profit after tax stood at ₹77.35 crores, against ₹160.45 crores in the previous year, that decline is explained almost entirely by the higher interest and depreciation that necessarily accompany a greenfield project. The Company considers it important to explain precisely why revenue grew 27.10% while profit declined, because the two movements have a single, identifiable and largely mechanical cause. In accordance with Ind AS 16, assets that had until then been carried as capital work-in-progress were capitalised to property, plant and equipment upon becoming ready for their intended use. Capital Work-In-Progress of ₹1,971.05 crores was capitalised during the year, reducing the closing balance of capital work-in-progress to ₹252.00 crores from ₹1,586.95 crores, and increasing net Property, Plant and Equipment to ₹2,804.36 crores from ₹930.87 crores.

For more details, refer to the Audited Standalone and Consolidated Financial Statements, which forms part of this Annual Report.

2. REVIEW OF BUSINESS OPERATIONS & FUTURE OUTLOOK:

Company operational outlook

Your Company is one of India's most integrated and diversified yarn manufacturer operating across three verticals: polyester filament yarn, cotton yarn and yarns for technical textiles and is transitioning from a predominantly single-location operation at Silvassa to a multi-location footprint spanning Silvassa and Punjab. The Silvassa facility continued to operate at optimal utilisation during the year, supported by its wide product range, established automation in warehousing and material handling, and proximity to India's western ports for both domestic and export supply.

The most significant operational development shaping the outlook is the greenfield polyester filament yarn facility at Wazirabad, Punjab operated through your Company's Wholly Owned Subsidiary, Sanathan Polycot Private Limited. The facility's Continuous Polymerisation line was commissioned on August 27, 2025 and has been ramped up and now stabilised to 700 MTPD establishing Punjab as a dedicated supply hub for the North India textile ecosystem with materially shorter lead times to key garment clusters such as Delhi, NCR, Haryana, Amritsar, Punjab, Ludhiana and Panipat. The facility is being scaled in phases toward its full polyester filament yarn potential, which, on completion of the phase two, will substantially increase the Company's aggregate installed capacity and more than double its polyester filament yarn capacity over the coming years.

Having largely completed its peak-investment phase, your Company expects the operating leverage from higher utilisation across these capacities, together

with the benefits of backward integration and a progressively cleaner, lower-cost energy mix, to support margins and cash flows as the new assets mature. The near-term outlook is further aided by supportive policy, including the temporary exemption of raw cotton imports from customs duty and the Agriculture Infrastructure and Development Cess and improving trade access for Indian textiles.

Your Directors remain confident in the Company's medium-term growth trajectory, while recognising that outcomes remain subject to raw-material and energy-cost volatility, global trade and tariff developments.

3. CHANGE IN THE NATURE OF BUSINESS:

During the financial year under review, there was no change in the nature of the Company's business.

4. DIVIDEND AND RETENTION OF PROFITS:

In view of the significant capital being deployed towards the Company's ongoing capacity expansion across its Punjab, Silvassa and Madhya Pradesh projects, your directors have not recommended any dividend for the financial year under review. The Board is of the view that retaining and reinvesting the profits earned during the year will create greater long-term value for shareholders by supporting sustained revenue growth, strengthening the Company's manufacturing base and enhancing operating leverage as the new capacities mature. Accordingly, the profits for the year have been ploughed back into the business and retained in reserves to fund the Company's growth initiatives.

5. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Since all the Equity Shares of the Company are in dematerialized form, there have been no instances of unclaimed shares which requires any transfer that needs to be done to the Investor Education and Protection Fund (IEPF).

6. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED AFTER THE END OF THE FINANCIAL YEAR:

There are no material changes or commitments that can affect the financial position of the Company.

7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant or material orders passed during the year that could adversely impact the Company's future operations or its status as a going concern.

8. DIRECTORS:

The Board comprises an optimal balance of Independent Directors, including a Woman Director, and Executive Directors, fostering well-rounded and constructive discussions that translate into meaningful, strategically aligned decisions. The Executive Directors bring strong industrial and operational expertise, while the Independent Directors contribute diverse experience across industry, banking, finance, and legal domains. This complementary mix promotes effective communication and robust governance, leading to enhanced understanding and improved decision-making.

A detailed note on the composition of the Board is provided in the Report of Corporate Governance forming part of the Annual Report.

Changes During the Year

Mr. Sammir Dattani was appointed as an Executive Director for a period of five years with effect from May 26, 2025, by the Board on the recommendation of the Nomination and Remuneration Committee, as part of the Company's strategic succession planning to strengthen Board oversight and governance. His appointment was subsequently approved by the Shareholders through a Special Resolution passed at the 20th Annual General Meeting ('AGM') held on August 04, 2025. At the operational level, in addition to his responsibilities as an Executive Director, he looks at the raw material procurement for Polyester Filament Yarn and Fully Drawn Yarn. Mr. Sammir Dattani also looks at Information Technology and Automation functions at Sanathan Textiles. As one of the spokesperson of Sanathan Textiles Limited, Mr. Sammir Dattani represents the Company across industry forums, stakeholder meetings, and public platforms. His holistic approach and leadership acumen continue to shape Sanathan Textile's positioning as a forward-looking and resilient player in the Indian textile landscape.

Mrs. Rupal Vora was appointed as an Independent Director of the Company for an initial term of three years with effect from March 31, 2023. Upon completion of her first term on March 31, 2026, her office was due for re-appointment. Pursuant to the recommendation of the Nomination and Remuneration Committee and upon consideration of her performance evaluation during the said term, as well as her knowledge, expertise and experience that she brings on the Board, the Board of Directors, at its meeting held on February 06, 2026, re-appointed Mrs Rupal Vora as an Independent Director for a second term of three (3) consecutive years, commencing from April 01, 2026 up to March 31, 2029. Further, the Company obtained Shareholders approval vide postal ballot issued on

April 24, 2026 and the results were disseminated to the Stock Exchanges on June 08, 2026.

Retirement by Rotation

Mr. Sammir Dattani (DIN: 07060573), Executive Director, liable to retire by rotation, and being eligible, have offered himself for re-appointment at the 21st AGM. The Notice convening the 21st AGM forming part of this Annual Report, includes the proposal for re-appointment and the requisite disclosures under Section 102 of the Act, Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India.

9. DECLARATION FROM INDEPENDENT DIRECTORS:

All Independent Directors have confirmed their independence and submitted declarations affirming that they meet the criteria prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. They have also confirmed that they are not disqualified from continuing in their role as Independent Directors. Furthermore, the Independent Directors have affirmed their compliance with the Company's Code of Business Conduct.

10 FAMILIARIZATION PROGRAMMES:

The Company has an established policy on the Familiarization Programme for Directors, designed to facilitate continuous awareness, engagement, and understanding of their roles, responsibilities, and the business environment in which the Company operates. The Board is regularly updated on amendments, regulatory developments, and emerging market trends, irrespective of sectoral relevance. Additionally, all strategic and operational information pertinent to the Company is appropriately shared with the Independent Directors.

In line with applicable regulatory requirements, the Company also maintains updated disclosures on its website regarding the Familiarization Programmes conducted for its Directors. The Familiarization Programme for Independent Directors is available on the Company's website at: https://www.sanathan.com/investor-relations

11. KEY MANAGERIAL PERSONNEL:

The Executive Directors, Chief Financial Officer and the Company Secretary & Compliance Officer constitute the Key Managerial Personnel (KMP) of the Company as required under the Act.

The list of Key Managerial Personnel as on the date of this Report is as follows:

Sr. No	Name	Designation
1.	Mr. Paresh Dattani	Chairman and Managing Director
2.	Mr. Ajaykumar Dattani	Joint Managing Director
3.	Mr. Anilkumar Dattani	Executive Director
4.	Mr. Sammir Dattani	Executive Director
5.	Mr. Sanjay Shah	Chief Financial Officer
6.	Mr. Jude Patrick D'souza	Company Secretary and Compliance Officer

12. ANNUAL PERFORMANCE EVALUATION OF BOARD:

The Board believes that the Annual Evaluation of the Board serves not only as a statutory requirement but also as a valuable exercise that provides meaningful insights into the progress made by the Board. It offers a distinct perspective on areas where improvement is required, both in the individual capacity of Directors and collectively as members of the Board. The skills identified by the Board are outlined below and were taken into consideration while mapping the Board Evaluation for the financial year ended March 31, 2026.



Mr. Devendra Deshpande, Practicing Company Secretary, was appointed as the External Board Evaluator for the Company.

As part of the Board Evaluation process, a structured questionnaire was circulated to the Directors. The

Board expressed its overall satisfaction with the evaluation process and the performance of the Board, its Committees and individual Directors. Additionally, the Independent Directors met separately to review the performance of the Board, without the presence of Executive Directors or members of the Management.

13. CODE OF CONDUCT BY DIRECTORS, MANAGEMENT AND SENIOR EMPLOYEES:

The Company has adopted a Code of Conduct for its Directors and Senior Management to provide clear guidance on principles of integrity, transparency, ethical business practices, and standards of Corporate Governance. The Code is available on the Company's website at https://www.sanathan.com/investor-relations.

All members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct, and a declaration to this effect, signed by the Managing Director, forms part of the Corporate Governance Report included in this Annual Report.

Further, the Company has adopted a Code of Conduct for Prohibition of Insider Trading, aimed at regulating, monitoring, and reporting trading activities by insiders and preventing the misuse of Unpublished Price Sensitive Information. The Code is also available on the Company's website at https://www.sanathan.com/investor-relations.

The Company has established adequate systems to track the movement of Unpublished Price Sensitive Information and regularly conducts awareness sessions for Directors, Promoters, Key Managerial Personnel, and designated employees/persons to ensure robust compliance.

14. NUMBER OF MEETINGS OF THE BOARD:

The Board met a total of five (5) times during the year. All meetings were duly convened and conducted in compliance with the applicable provisions of the Companies Act, 2013 and the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

The particulars of Meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Annual Report.

15. COMMITTEES OF BOARD:

The Committees of the Board operate in accordance with their respective terms of reference, which define their composition, scope, powers, duties, functions, and responsibilities. Based on the recommendations, suggestions, and observations of these Committees, the Board of Directors takes informed decisions on the matters placed before it.

As on March 31, 2026, there were Five Board Committees, namely:

(a) Audit Committee

(b) Nomination and Remuneration Committee

(c) Stakeholders' Relationship Committee

(d) Corporate Social Responsibility Committee

(e) Risk Management and Sustainability Committee

The Company Secretary acts as the Secretary to the abovementioned Committees.

During the year, the Board accepted all the recommendations / inputs made by Committees.

Detailed note on the composition of the Board and its Committees, including their respective terms of reference, the number of Committee meetings held during the financial year 2025–26, and the attendance of members there at, is provided in the Report on Corporate Governance, which forms part of this Annual Report. The composition and terms of reference of all the Committees of the Board of Directors are in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

Apart from being on the Board and approving strategic and operational decisions, your Directors have certain responsibilities as well towards you, our fellow Members and hence pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b. the Directors 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 the financial year and of the profit and loss of the Company for that period.

c. proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d. the annual accounts are prepared on a going concerning basis.

e. internal financial controls to be followed are laid down by the company and such internal financial controls are adequate and were operating effectively and

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

17. CHANGES IN SHARE CAPITAL:

During the financial year under review:

a. The Company has not bought back any of its securities.

b. The Company has not issued any Sweat Equity Shares.

c. No Bonus Shares were issued.

d. The Company has not issued any new Stock Option to the employees.

e. The Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise as per Section 43(a)(ii) of the Companies Act, 2013.

The authorised capital of the Company was ₹90,00,00,000 divided into 9,00,00,000 equity shares of ₹10/- each. The Issued and Paid-up Share Capital of the Company as on March 31, 2026 is ₹84,40,40,590, comprising 8,44,04,059 Equity Shares of ₹10/- each.

18. CREDIT RATING:

During the financial year under review the Company received following Credit Ratings by ICRA Limited ('ICRA') reaffirming the rating:

Instrument	Rating
Long term – Fund based - Term Loans	[ICRA]A (Positive); outstanding
Long term – Fund based Limits	[ICRA]A (Positive); outstanding.
Short term -NonFund based Limits	[ICRA]A2+; outstanding

ICRA has withdrawn the issuer rating assigned to Sanathan Textiles Limited (STL) at the request of the Company and in accordance with ICRA's policy on withdrawal. The ratings assigned on March 24, 2026 for the bank facilities remain outstanding. A detailed rationale is provided by ICRA for re-affirming the rating on the following link: Click here

19. DEPOSITS:

The Company has not accepted any deposit as per the provisions of Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

20. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return, for the FY 2025-26 is available on the website of the Company at https://www.sanathan.com/investor-relations

21. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

As on March 31, 2026, the Company has only two Wholly Owned Subsidiaries - Sanathan Polycot Private Limited and Universal Texturisers Private Limited of which Sanathan Polycot Private Limited is an Unlisted Material Subsidiary as per Regulation 24 of the SEBI Listing Regulations. The Company's policy on Material Subsidiaries is made available on the Company's website at https://www.sanathan.com/investor-relations. All the required compliances pertaining to an Unlisted Material Subsidiary have been completed as on March 31, 2026 and your Board is updated on the operational updates of Sanathan Polycot.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act") read with rules made thereunder, a report on the performance and financial position of each of the subsidiary companies of your Company is included in the Consolidated Financial Statements presented in Form AOC-1 attached as Annexure 1 which forms part of this report and to the Consolidated Financial Statements of the Company for the reference of the members.

Further the Company does not have any Joint ventures or Associate Companies during the period under review.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The members of the Company in the Annual General Meeting held on November 25, 2021, have granted approval to the Board for providing loan for an amount not exceeding ₹1,000 Crores (Rupees One Thousand Crores Only). Further, the Audit Committee annually reviews the limit and the Company has not exhausted the said limit as on the date of this report. The Company has complied

with the provisions of Section 186 of the Companies Act, 2013 regarding loans, investments made and guarantees provided during the year under review. Details have been furnished and form part of the Company's Financial Statements.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Compliance and Finance teams collaboratively assess related party relationships and transactions, evaluate their terms and value, by comparing them with similar third-party transactions. The Audit Committee grants omnibus approval for all Related Party Transactions, which are in ordinary course of business while ensuring they are at arm length and reviews them periodically during the meetings.

Further, there were no transactions which were not in the ordinary course of business and not at arm's length basis, hence Form AOC-2 is not annexed to this report. The details of the related party transactions entered during FY 2025 - 26 are disclosed in the Notes of Financial Statement, which form part of this Annual Report.

The Company's policy on Related Party Transactions as approved by the Board is hosted on Company's website at https://www.sanathan.com/investor-relations

24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The Company continues to foster a performance-driven and inclusive culture, placing strong emphasis on employee development, engagement, and overall well-being. The Board of Directors places on record its sincere appreciation for the dedication, professionalism, and commitment demonstrated by all employees, which has been instrumental in driving the Company's sustained performance and long-term growth. Disclosures with respect to Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and Details of employees' remuneration under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Annexure 2 to this Report.

The Company's policy on Nomination and Remuneration as approved by the Board is hosted on Company's website at https://www.sanathan.com/investor-relations

25. COMPANY'S POLICIES:

The Board of Directors firmly believes that a robust and transparent policy framework is essential for sound corporate governance and effective organizational functioning. The Company has implemented a comprehensive set of policies that serve as the foundation for ethical conduct, regulatory compliance, risk management, and strategic decision-making. Key policies include:

1. **Code of Conduct for Directors and Senior Management –** Establishes the standards of ethical behaviour and professional integrity expected from leadership.
2. **Insider Trading Policy –** Regulates trading in securities and ensures compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015
3. **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information –** Reinforces our commitment to transparency in market communication.
4. **Vigil Mechanism / Whistleblower Policy –** Provides a secure and confidential channel for employees and stakeholders to report concerns or unethical practices.
5. **Policy on Obligations of Directors and Senior Management –** Clarifies the roles, responsibilities, and obligations of individuals in key leadership positions.
6. **Risk Management Policy –** Enables the proactive identification, assessment, and mitigation of potential business risks.
7. **Nomination and Remuneration Policy –** Ensures that appointments and compensation structures are merit-based, fair, and aligned with long-term organizational goals.
8. **Policy on Board Diversity –** Promotes inclusivity and diverse representation within the Board.
9. **Succession Policy –** Facilitates continuity in leadership through planned and structured succession planning.
10. **Board Evaluation Policy –** Supports continuous improvement through structured evaluation of the Board's performance and effectiveness.
11. **Corporate Social Responsibility (CSR) Policy –** Guides the Company's approach to social impact, sustainability, and community engagement initiatives.
12. **Dividend Distribution Policy –** Ensures a balanced approach to rewarding shareholders while retaining resources for growth.
13. **Related Party Transaction Policy –** Establishes safeguards and transparency in transactions involving related parties.
14. **Archival Policy –** Defines guidelines for the preservation and retrieval of documents and disclosures.

15. **Policy for Determination of Material Events and Information –** Ensures timely and accurate disclosure in compliance with SEBI Listing Regulations.
16. **Policy on Material Subsidiaries –** Governs the monitoring and oversight of material subsidiaries to ensure aligned governance.

These policies collectively form the backbone of the company's governance ecosystem, ensuring clarity, consistency, and accountability in all aspects of corporate functioning. By embedding these principles into our processes, we strengthen stakeholder trust and position the Company for sustainable, long-term growth.

The abovementioned policies are available on the Company's website and can be viewed at https://www.sanathan.com/investor-relations and are made accessible to all stakeholders.

26. RISK MANAGEMENT:

The Company has in place a robust risk management framework to identify, evaluate, and mitigate various risks across its operations. The framework is designed to safeguard the Company's assets, ensure regulatory compliance, and support the achievement of strategic objectives. Key risks are periodically reviewed by the management and the Risk Management and Sustainability Committee, and appropriate mitigation strategies are implemented to address emerging risks. These include, but are not limited to, risks related to market volatility, raw material price fluctuations, regulatory changes, operational disruptions, environmental and sustainability factors, information security threats, and financial liquidity. Considering the ongoing expansion and diversification initiatives, the Company continues to strengthen its risk management practices by:

- Enhancing internal controls and operational oversight mechanisms
- Improving supply chain resilience and customer credit monitoring
- Embedding sustainability and ESG-related risks into strategic decision-making
- Leveraging technology for real-time risk assessment and mitigation
- Monitoring geopolitical developments that may affect supply chains, export-import regulations, energy pricing, and investor sentiment.

The Board of Directors affirms that the Company's risk management system is adequate and commensurate with the size and complexity of its operations and provides reasonable assurance that risks are being effectively monitored and managed.

The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Annual Report.

27. CYBER SECURITY:

The Company recognises cyber security as a strategic priority and a critical component of its enterprise risk management framework. In view of the increasing dependence on digital platforms and data-driven operations, the protection of information assets, customer and stakeholder data, and the maintenance of business continuity form an integral part of the Company's governance practices.

To oversee and strengthen its cyber risk management framework, the Company has constituted a dedicated Cyber Security Committee comprising members from Senior Management, the Information Technology function, and the Compliance team. The Committee is responsible for guiding the Company's cyber security strategy, monitoring emerging threats, ensuring compliance with applicable regulatory requirements, and driving cyber security awareness across the organisation.

Key measures undertaken include:

- Implementation of advanced security tools (firewalls, endpoint protection, intrusion detection systems)
- Regular internal and third-party audits, vulnerability assessments, and penetration testing
- Information Security Policy aligned with ISO 27001, subject to periodic review and Board oversight.
- Organisation-wide cyber hygiene and awareness campaigns, phishing simulations, and training programs
- Deployment of secure backup, disaster recovery, and business continuity plans

The Cyber Security Committee meets periodically to monitor threat intelligence, review the effectiveness of security controls, and assess emerging cyber risks. The Company continues to invest in strengthening its digital infrastructure and, during the year under review, did not report any cyber security breach. Through a robust framework of preventive, detective, and responsive measures, the Company remains committed to maintaining high standards of cyber governance and safeguarding the interests of its stakeholders in an increasingly digital and interconnected environment.

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

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure 3 which forms part of this Report.

29. VIGIL MECHANISM:

The Company has established a Vigil Mechanism to enable reporting of genuine concerns or grievances and to provide adequate safeguards against victimization of individuals using the mechanism. Oversight of the Vigil Mechanism rests with the Audit Committee. The Company remains committed to upholding the highest standards of ethical, moral, and legal conduct in all its business operations.

Under the Vigil Mechanism Policy, any Director, Employee, or Stakeholder who observes unethical behavior, actual or suspected fraud, or a violation of the Company's policies may report the matter to the Chairman of the Audit Committee or via email at whistleblower@sanathan.com. The detailed procedure is outlined in the Vigil Mechanism Policy, which is available on the Company's website at https://www.sanathan.com/investor-relations

30. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Aligned with the Company's core value and its commitment to responsible Corporate Citizenship, your Company actively embraces its social responsibilities through a variety of initiatives aimed at creating a positive impact on society. Guided by the Company's CSR Policy and its defined focus areas, our efforts were concentrated on critical domains such as eradicating hunger, promoting healthcare, encouraging sports and protecting the environment. Through well-structured programs, the Company is dedicated to contributing to societal well-being, fostering sustainable development, and supporting social upliftment.

During the year under review, CSR initiatives were undertaken across the Company's operational locations at Silvassa and Punjab, with a continued focus on community welfare, safety and disaster preparedness.

Community Safety Infrastructure at the Punjab Unit

FY 2025–26 marked the commissioning of the Company's Punjab facility and with it, marked the Company's engagement with a new community. The establishment of a manufacturing facility brings employment and economic activity while also creating a responsibility to contribute positively to the surrounding community. Keeping this in mind, the Company invested in a dedicated Fire Tender and an Ambulance at the Punjab site and made a conscious decision not to reserve them for internal use alone.

Both assets remain available to the surrounding community and can be mobilised in the event of a fire, a medical emergency or any other incident requiring immediate response. In a region where the nearest emergency infrastructure can be some distance away, the difference between help arriving in minutes and help arriving in an hour is not a small one. The response from the neighbourhood has been encouraging, with the Company receiving letters of appreciation from local stakeholders a modest but meaningful indication that the facility is being seen as part of the community rather than apart from it.

Fire-Fighting Training

The value of such training is that it does not stay confined to the shop floor. A participant who has been taught to assess a fire calmly, use an extinguisher correctly and evacuate others in an orderly manner carries that presence of mind home with them. Should an emergency arise in their own house or in the neighbourhood, the instinct is to respond rather than to panic and in this way, the initiative's benefit extends outward from the workplace to the community at large.









Cervical Cancer Awareness and Vaccination Initiative

Cervical cancer remains one of the most prevalent cancers among women in India despite being largely preventable through timely awareness, screening and vaccination. Limited awareness and low screening coverage continue to be significant barriers to early prevention and treatment.

Recognising the importance of preventive healthcare, the Company organised cervical cancer awareness sessions in Mumbai and facilitated vaccination initiatives in Kolkata during FY 2025–26. By combining awareness with access to preventive healthcare, the initiative sought to encourage informed decision-making and contribute towards improving women's health. The programme also aligns with national and global efforts to increase awareness and promote HPV vaccination for the prevention of cervical cancer.







Food Distribution for Underprivileged Communities

The country produces enough food. What it does not consistently do is get that food to the people who need it.

The UNEP Food Waste Index Report 2024 estimated India's household food waste at roughly 78 million tonnes in 2022 second only to China in absolute terms while a significant proportion of the population continues to go without adequate nutrition. Globally, the same report placed food waste at 1.05 billion tonnes, close to a fifth of all food available to consumers, with households accounting for around 60% of it. Hunger, in this context, is less a failure of agriculture than a failure of logistics and access.



The Company's food distribution programme is a direct, if modest, response to that failure. During FY 2025–26, the Company undertook food distribution activities for underprivileged communities. The intent is straightforward: to place nutrition in the hands of those who would otherwise go without it, in the communities in and around which the Company operates.

For a business built on supply chains, the logic is a familiar one. Availability without access is not availability at all.

Renovation of K. M. Haji Bachooali ENT Hospital

Quality healthcare depends not only on skilled medical professionals but also on safe and functional healthcare infrastructure. During FY 2025–26, the Company supported renovation works at K. M. Haji Bachooali ENT Hospital to improve the usability, safety and overall functionality of the facility.

The project is expected to enhance the hospital's ability to serve the surrounding communities that depend upon it for accessible healthcare services, thereby contributing to improved healthcare infrastructure and patient experience.





World Environment Day 2026 -"Every Yarn Carries a Greener Commitment"

As part of its World Environment Day 2026 initiatives, the Company organised a Clothes Donation Drive through which collected garments for redistribution to underserved rural communities. Jute sling bags were distributed as tokens of appreciation to encourage sustainable alternatives.





The Company also collaborated with G South Ward of the Brihanmumbai Municipal Corporation (BMC) and the Inner Wheel Club of Bombay Pier Tiara to create a public art installation along the Mumbai Coastal Road, complemented by community awareness programmes promoting environmental conservation and responsible resource utilisation.

Further, the Company has shared the Annual Report pertaining to the Corporate Social Responsibility for the financial year 2025-2026 as per the applicable provisions of the Companies Act, 2013, the details of which are mentioned in Annexure 4 which forms part of this report.



The CSR Policy is available on the website of the Company and can be viewed at https://www.sanathan.com/investor-relations.

31. AWARDS AND RECOGNITIONS

(Safety & Operational Excellence)

At Sanathan, safety is woven into the very fabric of our operations. Throughout FY 2025-26, our unwavering commitment to rigorous protocols, swift emergency response, and community-level disaster preparedness earned formal recognition from key government and statutory authorities.

- Sanathan Textiles Ltd Silvassa was awarded for compliance in Basic Fire and Life Safety Measures at Technical Conclave on Industrial Fire Safety in April 2025 organized by Department of Fire and Emergency Services, DNH at Kala Kendra, Silvassa.
- Reaffirming our adherence to highest-tier safety standards, Sanathan Textiles' Silvassa Unit received a renewed Award & Certification for Compliance in Fire and Life Safety Measures in the month of April 2026 at the subsequent Industrial Fire Safety Conclave organized by the DDNH Government Department of Fire and Emergency Services, Silvassa.

(Emergency Preparedness, Drills & Institutional Leadership)

Going beyond standard compliance, Sanathan Textiles actively partners with district and national disaster management bodies to fortify civil defense infrastructure and drive community resilience.

- During the year under review, the Sanathan Fire Tender and Safety Teams participated in a landmark U/T Level Civil Defense Mock Drill for emergency preparedness at the Mini-Collectorate, Khanvel, Silvassa. This historic exercise; first of its kind conducted nationwide since 1971 across hundreds of districts focused on critical crisis scenarios, including air raids and blackouts.
- A district-level mock drill on "Flood Disaster" was organized by the DNH Disaster Management Authority in collaboration with the National Disaster Response Force (NDRF). leveraging internal defense expertise, Commander Deepak (Chief Safety & Security Officer) participated as a distinguished observer. He provided vital expert guidance and training to the rescue team on flood disaster emergency handling and evacuation exercises, earning a formal token of appreciation on behalf of Sanathan Textiles Limited.

32. AUDITORS AND AUDITORS' REPORT:

A. STATUTORY AUDITOR

The Members of the Company on the recommendation of the Board, in the Annual General Meeting held on November 25, 2021 approved the appointment of M/s. Walker Chandiok & Co LLP, (ICAI FRN 001076N/N500013) as the Statutory Auditors of the Company for a period of five years which is up to the conclusion of the Annual General Meeting scheduled on September 11, 2026. The Reports given by M/s. Walker Chandiok & Co LLP, Chartered Accountants on the Standalone and Consolidated Financial Statements of the Company for FY 2025-26 is forming part of the Financial Statements, which is made part of this Annual Report. The Statutory Auditor Report does not contain any qualification, reservation or adverse remarks. Further, no frauds have been reported by the Statutory Auditors during the Financial Year 2025-26 pursuant to the provisions of Section 143(12) of the Act.

At its meeting held on August 03, 2026 the Board of Directors of the Company, after considering the experience and expertise of the firm and based on the recommendation of the Audit Committee, has proposed to the Members the re-appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as the Statutory Auditor of the Company. The re-appointment is for a second term of five consecutive years, commencing from the conclusion of this 21st AGM until the conclusion of the 26th AGM, at a remuneration as detailed in the notice of the 21st AGM.

B. SECRETARIAL AUDITOR

The Shareholders of the Company in their 20th Annual General Meeting held on August 04, 2025 appointed M/s. DVD & Associates, Practising Company Secretaries, a Peer Reviewed Firm (Firm Registration Number: I2004MH477200) as Secretarial Auditors of the Company for a term of five (5) years upto March 31, 2030. They have also confirmed that they are not disqualified from continuing as Secretarial Auditors of the Company in terms of provisions of the Act & Rules made thereunder and SEBI (LODR) Regulations.

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial Audit Report in Form MR-3 for the Financial Year 2025–26 forms part of this Annual Report and is annexed as Annexure 5.

The Secretarial Audit Report for the Financial Year 2025–26 does not contain any qualification, reservation, adverse remark or disclaimer of opinion.

Sanathan Polycot Private Limited ("SPPL") is a material unlisted subsidiary of the Company, pursuant to Regulation 16(1)(c) of the Listing Regulations. A copy of the Secretarial Audit Report of SPPL is provided in Annexure 6 to this report. It does not contain any qualification, reservation, adverse remark or disclaimer of opinion.

C. COST AUDITOR:

The Board, on the recommendation of the Audit Committee, has appointed M/s. Saroj K Babu & Co., Cost Accountant (Firm Registration No. 100591) as the Cost Auditor of the Company. The Company has duly prepared and maintained cost records as prescribed under Section 148(1) of the Companies Act, 2013. Further, as required under the Companies Act, 2013, a resolution seeking members approval for the ratification of remuneration payable for the FY 2026-27 to the Cost Auditors forms part of the Notice convening the Annual General Meeting.

D. INTERNAL AUDITOR:

The Board of Directors on the recommendation of Audit Committee pursuant to section 138 of the Companies Act, 2013 appointed M/s. Mahajan & Aibara LLP, Chartered Accountants for performing Internal Audit of the Company. Further the Internal Audit Report prepared by the Internal Auditor was examined by the Audit Committee and noted by the Board of Directors on a timely basis.

33. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The Business Responsibility and Sustainability Report (BRSR) outlines a company's environmental, social, and governance initiatives and practices. It aims to provide transparency on how businesses operate responsibly and contribute to sustainable development. As per SEBI's circular dated May 10, 2021, the BRSR framework is applicable to the top 1,000 listed entities by market capitalization. The BRSR is a new requirement applicable to the Company from April 1, 2025, in accordance with Regulation 34(2) (f) of the SEBI Listing Regulations. The Company is pleased to present its 1st Business Responsibility and Sustainability Report for the financial year 2025-26 which is a part of this Annual Report.

34. EMPLOYEE STOCK OPTION SCHEMES:

The Company recognizes the importance of attracting, retaining, and motivating high-caliber employees who contribute to the company's long-term success. In line with its objective, your Company had Sanathan Textiles Limited- Employee Stock Option Plan- 2021 'ESOP SCHEME 2021'. The ESOP Scheme 2021 have been duly approved by the members and post the Initial Public Offer, the ESOP Scheme has been ratified by the Members and is fully compliant with the Companies Act, 2013 and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Significantly, the shareholders have also approved the extension of these benefits to the eligible employees of the Company's subsidiary, Sanathan Polycot Private Limited on June 06, 2026. The disclosure under the said SEBI Regulations is available on the website of the Company. The certificate of Secretarial Auditor confirming compliance of the ESOP Scheme with the Act and abovementioned SEBI Regulations is given in Annexure 7 which forms part of this report.

35. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 AND MATERNITY BENEFIT ACT 1961:

Your Company always endeavors to provide a conductive work environment that is free from discrimination and harassment, including sexual harassment. With a zero tolerance policy towards sexual harassment at workplace, the Company has adopted a robust policy for prevention of Sexual Harassment of Women at workplace.

To ensure effective oversight and redressal, the Company has established an Internal Compliants

Committee ("ICC") that holds jurisdiction over all its operational locations, including Silvassa, Punjab, and the Mumbai Head Office. To facilitate the seamless reporting of grievances, physical complaint boxes have been installed at all the Company premises. Furthermore, the Company proactively conducts frequent POSH awareness sessions across all locations to foster a safe, secure, and respectful working environment for all employees. During the financial year 2025–26, no cases of sexual harassment were received.

The Company is also registered on the SHe-Box portal launched by the Ministry of Women and Child Development, Government of India to provide an additional channel for reporting complaints. During the financial year under review, no complaints were received, and no complaints were pending. The Company acknowledges its statutory obligations under the Maternity Benefit Act, 1961, in line with its focus on employee welfare. The Company confirms that all applicable provisions of the Act were duly complied with during the FY 2025–26.

36. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adequate internal financial controls in place, commensurate with its size and the nature of its business. The Internal Financial Controls, with reference to financial statements as designed and implemented by the Company, are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

37. SECRETARIAL STANDARDS:

The Company has complied with the 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 follows the same.

38. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report on the operations of the Company, is provided as a separate section and forms part of this Annual Report.

39. CORPORATE GOVERNANCE REPORT AND CERTIFICATE FROM SECRETARIAL AUDITOR:

Pursuant to Regulation 34 of the SEBI Listing Regulations, the Corporate Governance Report for the year ended March 31, 2026 along with a Certificate from the Secretarial Auditor of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI Listing Regulations is provided in a separate section and forms part of Annual Report.

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

During the period under review the Company has not made any application, and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

41. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year, there has been no one-time settlement of Loan and therefore this point is not applicable.

42. LOAN FROM DIRECTORS OR THEIR RELATIVES:

During the year under review, there is no loan taken from the Directors or their relatives by the Company.

43. CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:

As required under Regulation 17(8) of the SEBI Listing Regulations, the CFO of the Company has certified the accuracy of the Financial Statements, the Cash Flow Statement and adequacy of Internal Control Systems for financial reporting for the financial year ended on March 31, 2026 and the certificate forms part of the Corporate Governance Report.

44. LISTING FEES:

Your Company has paid the requisite Annual Listing Fees to National Stock Exchange of India Limited (Symbol: SANATHAN) and BSE Limited (Scrip Code: 544314), where its securities are listed.

45. APPRECIATION:

The Board of Directors places on record its sincere appreciation for the unwavering support and continued cooperation extended by our banking partners. The Directors also express their heartfelt gratitude to all stakeholders including our valued customers, resolute employees, trusted vendors, esteemed consultants, and respected shareholders, whose steadfast confidence and contributions have been instrumental in the Company's growth journey. The Board is especially thankful for the overwhelming response received during the Company's Initial Public Offering (IPO), marking a significant milestone in our corporate evolution. We remain committed to upholding the trust placed in us and driving sustainable value for all stakeholders.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR SANATHAN TEXTILES LIMITED

S/d
Paresh Dattani
Chairman and Managing Director
DIN No.: 00163591

Date: August 03, 2026
Place: Mumbai

Annexure 1

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint venture as on March 31, 2026

(Pursuant to the first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) for year ended March 31, 2026

Part "A": Subsidiaries

Sr. No.	Name of subsidiary	Date since when the subsidiary was incorporated or acquired	Share Capital (Actuals)	Reserves & Surplus (Amounts ₹ in Crores)	Total Assets (Amounts ₹ in Crores)	Total Liabilities (Amounts ₹ in Crores)	Investments (Amounts ₹ in Crores)	Turnover (Amounts ₹ in Crores)	Profit Before Taxation (Amounts ₹ in Crores)	Provision for Taxation (Amounts ₹ in Crores)	Profit after Taxation (Amounts ₹ in Crores)	Proposed Dividend (Amounts ₹ in Crores)	% of Shareholding
1	Sanathan Polycot Private Limited	April 20, 2021	*10,12,30,00,000/-	574.62	2,829.06	2,244.54	Nil	843.96	(132.21)	(18.31)	(113.90)	NA	99.99%
2	Universal Texturisers Private Limited	March 31, 2006	4,99,85,000/-	1.41	7.90	0.07	Nil	Nil	0.17	1.54	(1.37)	NA	99.99%

*Inclusive of Equity share Capital and Preference Share Capital.

The Company as on March 31, 2026 has no subsidiaries:

1. Which has not yet to commence operations
2. Which have been liquidated or sold during the year.

Part B – Associates / Joint Ventures – NIL

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR SANATHAN TEXTILES LIMITED

Sd/-
Paresh Dattani
Chairman & Managing Director
DIN: 00163591

Place: Mumbai
Date: August 03, 2026

Annexure 2

Statement of Disclosure of Remuneration

Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during F.Y. 2025-26 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the F.Y. 2025-26 are as below:

Sr. No	Name of Director / Key Managerial Personnel	Designation	% increase in Remuneration in the F.Y. 2025-26	Ratio of Remuneration of each Director / to median remuneration of employees
1.	Mr. Paresh Dattani	Chairman and Managing Director	^Nil	95:1
2.	Mr. Ajaykumar Dattani	Joint Managing Director	^Nil	95:1
3.	Mr. Anilkumar Dattani	Executive Director	^Nil	95:1
4.	Mr. Sammir Dattani	Executive Director	^Nil	88:1
5.	Mr. Vinay Aggarwal	Independent Director	*	*
6.	Mr. Khurshed Thanawalla	Independent Director	*	*
7.	Mr. Debabrata Sarkar	Independent Director	*	*
8.	Mrs. Rupal Vora	Independent Director	*	*
9.	Mr. Sanjay Shah	Chief Financial Officer	6.77%	12:1
10.	Mr. Jude Patrick D'souza	Company Secretary and Compliance Officer	8.50%	5:1

Notes:

^ The Directors have not taken any increment and continue to draw the same remuneration as approved by the Members through the Special Resolution passed at the Annual General Meeting held on November 25, 2021. This approval remains valid for a period of five years, from December 01, 2021 to November 30, 2026, and is in accordance with Regulation 17(6)(e) of the SEBI Listing Regulations.

* Independent Directors were paid only sitting fees as part of the remuneration and there was no increment paid during the year.

No commission was approved by the Board and hence there is no outstanding remuneration for the Directors as on March 31, 2026.

2. **The number of permanent employees on the roll of the Company:**

   As on March 31, 2026, the Sanathan Textiles Group had 1843 permanent employees on its roll.

3. **Average percentile increases already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:**

   The increase in remuneration is aligned with prevailing market conditions in India. The Company's remuneration framework is designed to ensure that compensation appropriately reflects its performance, with performance-linked incentives determined based on a combination of individual performance, the Company's overall performance, and individual utilisation.

4. During the Financial Year under review, the average percentage increase in the salary of the Company's employees was 8%.

5. We hereby affirm that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel, and other employees.

6. The statement containing names of the top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of this Report is open for inspection by the members through electronic mode. Any member interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer of the Company at investors@sanathan.com

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR SANATHAN TEXTILES LIMITED

Sd/-
Paresh Dattani
Chairman & Managing Director
DIN: 00163591

Place: Mumbai
Date: August 03, 2026

Annexure 3

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

A. Conservation of Energy

Sr. No.	Particulars	Response
1.	the steps taken or impact on conservation of energy	The Company continues to strengthen its commitment towards sustainable manufacturing and energy conservation through continuous process improvements and adoption of resource-efficient technologies. During the year, the Company continued to operate its Zero Liquid Discharge (ZLD) systems for complete reuse of treated wastewater, thereby reducing freshwater consumption and promoting responsible water management. Rooftop solar power plants with an aggregate installed capacity of 2.35 MW continued to generate renewable energy to the extent possible. The Company also continued to utilise Dope Dyed technology, wherein pigments are incorporated during polymerisation, eliminating the conventional dyeing process and significantly reducing water and energy consumption. The Solid-State Polymerisation (SSP) facility, integrated with a fully automated direct conveying system, continued to enhance process efficiency by eliminating intermediate cooling, bagging, conveying and drying stages, resulting in lower energy consumption and improved operational efficiency. Additionally, to further scale up its green energy footprint, at Punjab, the Company's Wholly Owned Subsidiary, Sanathan Polycot Private Limited, entered into a Power Supply and Consumption Agreement (PSCA) for sourcing renewable power as a captive consumer. The Company's energy conservation initiatives are further supported through continuous process optimisation, preventive maintenance, deployment of energy-efficient equipment and employee awareness programmes. In addition to energy efficiency and water conservation, the Company actively drives environmental sustainability through extensive greening and tree plantation initiatives. During the year, the Company organised dedicated tree plantation drives in and around its manufacturing facilities to enhance green cover, improve local biodiversity, and contribute towards carbon sequestration, thereby reinforcing its commitment to ecological balance and sustainable development.
2.	the steps taken by the company for utilising alternate sources of energy	The Company continued to utilise renewable energy generated through its rooftop solar installations across its manufacturing facilities. In addition, its Wholly Owned Subsidiary, Sanathan Polycot Private Limited, is developing its integrated manufacturing facility in Punjab with a focus on sustainable operations. The facility is designed to utilise rice husk, a renewable biomass fuel, for heating processes, thereby reducing dependence on conventional fossil fuels and lowering carbon emissions. The Punjab facility has also incorporated a Zero Liquid Discharge (ZLD) system to ensure sustainable water management.

Sr. No.	Particulars	Response
3.	the capital investment on energy conservation equipment's	During FY 2025-26, the Company invested ₹73.00 crores in technologies and infrastructure designed to improve the environmental performance of its manufacturing operations, as against ₹6.89 crores in FY 2024-25. The substantial step-up reflects the commissioning of the Punjab facility, where environmental systems were built into the plant design at the outset rather than retrofitted, and continued efficiency upgrades at the Silvassa facility. The Capex investments fall broadly into four areas. **Energy efficiency and equipment optimisation**. At Silvassa, two centrifugal turbo compressors replaced a fleet of smaller, power-intensive screw compressors used for instrument air, suction gun air and nitrogen generation, delivering a significant reduction in energy requirement. Cooling water pumps were replaced with energy-efficient equivalents, reducing consumption from 5,340 units per day to 4,282 units per day. An automatic online condenser tube cleaning system was installed across all four centrifugal water chillers, maintaining consistent condenser efficiency while eliminating manual cleaning and the associated water wastage. **Waste heat recovery.** At Punjab, vapour absorption machines have been deployed to recover and reuse process heat that would otherwise be lost. The heat in the Process-generated vapour is captured to utilize the heat for producing chilled water through Vapor absorption machines, functioning simultaneously as an environmental control and an energy recovery measure. Separately, flue gas from the husk-fired HTM heaters is routed to generate hot water instead of being discharged directly to atmosphere, reducing thermal pollution while improving overall plant energy efficiency. **Water stewardship and Zero Liquid Discharge.** Water-related investment forms the largest share of the year's spend. A Effluent Treatment Plant treats all plant effluent, with treated water reused within the Punjab facility and no wastewater discharged outside the plant boundary. Blowdown from the water treatment and cooling water systems is recovered through Reverse Osmosis and reject of Reverse Osmosis plant is taken into Mechanical Vapour Recompression Evaporator systems, enabling recovery and reuse of water and reducing freshwater intake. A demineralisation plant based on Electrodeionisation technology eliminates the chemical regeneration step required by conventional ion exchange, thereby removing chemical consumption from the demineralisation process and significantly reducing wastewater generation, chemical handling and effluent load. Together these systems support the Company's Zero Liquid Discharge commitment at Punjab. At Silvassa, the Daman Ganga river water project comprising a dedicated water treatment plant, pump house and pipeline infrastructure enables the facility to source process water from the river, reducing reliance on groundwater and supporting local water-table recovery. **Fuel transition and air emissions.** Biomass-fired process heaters use rice husk as the primary fuel in place of conventional fossil fuels. Rice husk is a renewable fuel with lower net carbon emissions. The heaters are fitted with an Electrostatic Precipitator to control particulate matter in the boiler flue gas, significantly reducing dust emissions and supporting compliance with applicable air quality standards. Taken together, these investments reduce the Company's energy intensity, freshwater dependence, effluent discharge and air emissions, and are aligned with the Company's stated environmental commitments under Principles 2 and 6. The environment-related assets pertaining to the Punjab facility were procured as part of the commissioning of the facility. In accordance with Ind AS 16 — Property, Plant and Equipment, these assets were carried as capital work-in-progress during the period of construction and installation, and were capitalised in FY 2025-26 upon the date on which they were ready for their intended use. The amounts disclosed for FY 2025-26 accordingly represent the year of capitalisation and not necessarily the year in which procurement was initiated.

B. Technology Absorption

The Company has not entered into any technology agreement or collaborations, during the year under review. The Production Innovation and Development Team at Sanathan Textiles remains proactively aligned with emerging trends and consistently strives to meet and exceed customer expectations. Further, there has been no new technology that has been imported by Sanathan Textiles during the year. The Company had commissioned a Solid-State Polymerisation (SSP) plant as part of its backward integration initiatives for the production of high intrinsic viscosity (IV) PET chips used in the manufacture of Technical Textiles Yarn. The SSP process enhances the intrinsic viscosity of PET chips, enabling the production of high-performance yarns with superior strength, durability and quality consistency for specialised technical textile applications. This SSP plant is equipped with a fully automated direct conveying system that enables the seamless transfer of hot PET chips to the Technical Textiles production line. By eliminating intermediate stages such as cooling, bagging, conveying and drying, the integrated process reduces energy consumption, improves operational efficiency, minimises material handling and ensures consistent product quality, supporting the Company's commitment to technological advancement, energy conservation and sustainable manufacturing practices.

C. Foreign exchange earnings and Outgo-

1. The Foreign Exchange earned in terms of actual inflows during the year - ₹ 203.61 Crores.

2. The Foreign Exchange outgo during the year in terms of actual outflows - ₹ 764.78 Crores.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR SANATHAN TEXTILES LIMITED

Sd/-
Paresh Dattani
Chairman & Managing Director
DIN: 00163591

Place: Mumbai
Date: August 03, 2026

Annexure 4

The Annual Report on CSR Activities for FY 2025-26

Pursuant to section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time

1) Brief outline on CSR Policy of the Company

Sanathan Textiles has its Corporate Social Responsibility Policy in place, which has the guiding principles for the CSR Activities to be conducted by the Company. As Sanathan Textiles believes in creating a social impact, it passionately believes that CSR is not only a compliance but a commitment towards the society surrounding its place of business.

2) Composition of CSR Committee

Sr. No	Name of Committee member	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Khurshed Thanawalla	Independent Director and Chairman of the Committee	2	2
2.	Mrs. Rupal Vora	Independent Director and Member of the Committee	2	2
3.	Mr. Anilkumar Dattani	Executive Director and Member of the Committee	2	2

3) Provide the web-link where Composition of CSR committee, CSR Policy, Annual Action Plan and CSR projects approved by the board are disclosed on the website of the company - https://www.sanathan.com/investor-relations

4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – Not applicable

5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. - Nil

6) Average net profit of the company as per section 135(5): - ₹ 202.59 Crores

7) a. Two percent of average net profit of the company as per section 135(5): - ₹ 4.05 Crores

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - Nil

c. Amount required to be set off for the financial year, if any: - Nil

d. Total CSR obligation for the financial year [(7a) + (7b) - (7c)]: - ₹ 4.05 Crores

8) a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount unspent (₹ In Crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 0.32 Crores	₹ 3.73 Crores	April 30, 2026	NA	NA	NA

b. Amount spent in Administrative Overheads:- Nil

c. Amount spent on Impact Assessment, if applicable: - Not Applicable

d Total amount spent for the Financial Year [(8a) +(8b) + (8c)]: - ₹ 0.32 Crores

e. Excess amount for set off, if any - Nil

9) a. Details of Unspent CSR amount for the preceding three financial years:

(Amount ₹ in Crores)

Sr. No	For Preceding Financial Year	Amount transferred to Unspent CSR Account	Amount outstanding as on beginning of the year	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Surplus arising from CSR Project	Amount remaining to be spent in succeeding financial years
					Name of the Fund	Amount	Date of transfer.		
1.	24-25	₹ 5.05	₹ 5.05	0				₹ 0.29	₹ 5.34
2.	23-24	₹ 4.25	₹ 2.25	₹ 0.85	NIL	NIL	NIL	₹ 1.03	₹ 2.43
3.	22-23*	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

*The funds from the CSR Account have been utilised and the account is closed.

10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Your Directors confirm that no capital assets have been created using the CSR Funds.

11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Owing to the pendency of certain statutory approvals related to the identified projects, the entire allocated CSR funds could not be utilized during the year.

12) Ongoing projects spent after the closure of the financial year but before adoption of this report:

The CSR Committee recommended a project for the refurbishment of a floor at Jaslok Hospital & Research Centre, Mumbai ("Jaslok"). The project was approved by the Board under two tranches:

1. A spent of ₹7 Crores (Rupees Seven Crores Only) shall be utilised from the Unspent CSR Account(s) and
2. A spent of ₹3 Crores (Rupees Three Crores Only) shall be utilised from the CSR obligation of FY 2028-29 or as per the Memorandum of Understanding ("MOU") executed between the Company and Jaslok.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR SANATHAN TEXTILES LIMITED

Sd/-
Paresh Dattani
Chairman and Managing Director
DIN: 00163591

Date: August 03, 2026
Place: Mumbai

Sd/-
Khurshed Thanawalla
Chairman of CSR Committee
DIN: 00201749

Date: August 03, 2026
Place: Mumbai

Annexure 5

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 No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
SANATHAN TEXTILES LIMITED
Srv No. 187/4/1/2, Near Surangi Bridge,
Surangi Dadra & Nagar Haveli,
Silvassa, 396230

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **M/s. SANATHAN TEXTILES LIMITED** (hereinafter called "the Company"), listed at BSE Limited and National Stock exchange of India Limited.

The Secretarial Audit was conducted for the period from April 1, 2025 to March 31, 2026, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of the following list of laws and regulations. The following are our observations on the same:

(i) **The Companies Act, 2013 (the Act) and the Rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review.

(ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:** The Company has complied with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA').

(iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:**

The Company is a listed public company and 100% of shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) The Company has satisfactorily complied with the applicable provisions of the 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 and there are no discrepancies observed by us during the Audit Period under review- (**Not applicable for the Audit Period under review**).

(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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not applicable for the Audit Period under review**)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable for the period under review**);

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable for the period under review**);

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client (**Not applicable for the period under review**);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable for the period under review**);

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015:

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

I further report that, as per the opinion of the officers of the Company and information provided by them there are no specific applicable laws on the basis of activities of the Company

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India: The Company has duly complied with the Secretarial Standards for the period under review.

(ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited, Mumbai in respect of Shares issued by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above.

We further report that: -

There are adequate systems and processes in the Company which commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The Company has complied with the provisions of the Companies Act, 2013 as well as provisions of SEBI (LODR), 2015 in respect of the constitution of the Board during the Financial Year under review as applicable.

Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

a) The company had passed special resolution dated April 07, 2025 through postal ballot to ratify Sanathan Textiles Limited's Employee Stock Option Plan 2021 ("ESOP 2021"/ "Scheme")

b) The company had appointed Mr. Sammir Dattani (DIN: 07060573) as an Executive Director of the Company to fill the casual vacancy of Dinesh Vrajdas Dattani (DIN: 00163701), with effect from May 26, 2025.

c) The Shareholders of the Company in the Annual General Meeting Held on August 04, 2025 approved the appointment of Mr. Sammir Dattani (DIN: 07060573) as an Executive Director.

d) The Company commenced Phase-1 of Commercial Production at their Punjab facility on August 27, 2025

e) The Company has received in principal approval for ESOP Policy from both the Stock Exchanges i.e BSE Limited and National Stock Exchange Limited dated November 21, 2025.

f) The Board of Directors, at its meeting held on February 06, 2026, reappointed Ms Rupal Vora as an Independent Director for a second term of three consecutive years, commencing from April 01, 2026 up to March 31, 2029 subject to approval of shareholders.

g) Sanathan Polycot Private Limited, a wholly owned subsidiary of the Company, has entered into a Share Subscription and Shareholders' Agreement and a Power Supply and Consumption Agreement dated March 24, 2026 to acquire non controlling stake in Serentica Renewables India 33 Private Limited, a subsidiary of Serentica Renewables India Private Limited, in tranches, for sourcing renewable power as a captive consumer for a contracted capacity of 32 MW.

h) The Company during the year has subscribed to 14,24,00,000, 7% Redeemable Preference Shares of Sanathan Polycot Private Limited (A wholly owned subsidiary) by infusing an amount of ₹ 142,40,00,000/-

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Sd/-
Devendra Deshpande
FCS No. 6099 CP No. 6515
PR No. 7711/2026

Place: Pune
Date: May 15, 2026
UDIN: F006099H000372509

ANNEXURE A

To,
The Members
SANATHAN TEXTILES LIMITED
Srv No. 187/4/1/2, Near Surangi Bridge,
Surangi Dadra & Nagar Haveli,
Silvassa, 396230

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Sd/-

_____
DEVENDRA DESHPANDE
FCS No. 6099
CP No. 6515
PR No. 7711/2026

Place: Pune
Date: May 15, 2026
UDIN:F006099H000372509

Annexure 6

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD STARTING FROM APRIL 01, 2025 TO MARCH 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
SANATHAN POLYCOT PRIVATE LIMITED
SRV No. 187/4/1/2, Near Surangi Bridge,
Surangi, Silvassa,
Dadra & Nagar Haveli DN-396230.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Sanathan Polycot Private Limited (Hereinafter called "the Company"). The Company is a wholly owned material subsidiary of a listed public company..

The Secretarial Audit was conducted for the period from April 1, 2025 to March 31, 2026 in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period starting from April 1, 2025 to March 31, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company period starting from April 1, 2025 to March 31, 2026, according to the provisions of the following list of laws and regulations. The declaration given by the Management of the Company and other documents provided to us were treated as final for verification purposes. The following are our observations on the same:

(i) The Companies Act, 2013 (the Act) and the rules made there under: - The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and no other discrepancies observed by us during the period under review.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under: - The Company is an unlisted Company and therefore provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') are not applicable.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under: - The Company is an unlisted Company deemed to be a Public Company and it is a wholly owned material subsidiary, therefore the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under are not applicable to the Company. The Company is not covered under Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 because of sub-Rule 11.

(iv) There is no Overseas Direct Investment nor Direct Investment in the Company. The provisions related to External Commercial Borrowings are applicable to the Company. The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder in respect of the said External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **NOT APPLICABLE**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **NOT APPLICABLE**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **NOT APPLICABLE**

(d) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021; **NOT APPLICABLE**

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE**

(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **NOT APPLICABLE**

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client; **NOT APPLICABLE**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **NOT APPLICABLE**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015: **NOT APPLICABLE**

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; **NOT APPLICABLE**

and circulars/ guidelines issued thereunder;

The Company is an Unlisted Company which is deemed to be a public company and therefore provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above.

I further report that, as per the opinion of the officers of the Company and information provided by them, there are no specific applicable laws on the basis of activities of the Company.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India have been followed by the Company.

ii. The Company being an unlisted Company the clauses of Listing agreement / SEBI (Listing Obligations and Disclosure Requirements), 2015 are not applicable.

We further report that: -

There are adequate systems and processes in the Company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

Adequate notice is given to all Directors about the Board meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions taken at Board Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. During the year, the Company has passed special resolution to increase its authorized Preference Share Capital as per the below details:

S. No	Date of Shareholder's resolution	No of Shares Increased
1	01.04.2025	30,00,00,000 Preference Shares
2	26.06.2025	30,00,00,000 Preference Shares

2. During the year, the Company has passed special resolution to issue 7% Non-Convertible Non-Cumulative Redeemable preference share on rights basis and the Company completed its allotment as per below mentioned details:

Sr. No	Date of shareholder's resolution	No of Shares Issued	Date of Allotment	Number of shares allotted
*1.	02/04/2025	1,00,00,000	02/04/2025	150,00,000
2.	09/04/2025	90,00,000	09/04/2025	1,00,00,000
3.	15/04/2025	60,00,000	15/04/2025	90,00,000
4.	22/04/2025	45,00,000	22/04/2025	60,00,000
5.	25/04/2025	31,50,000	25/04/2025	45,00,000
6.	28/04/2025	60,00,000	28/04/2025	31,50,000
7.	30/04/2025	55,00,000	30/04/2025	60,00,000
8.	05/05/2025	70,00,000	05/05/2025	55,00,000
9.	09/05/2025	40,00,000	09/05/2025	70,00,000
10.	13/05/2025	30,00,000	13/05/2025	40,00,000
11.	16/05/2025	65,00,000	16/05/2025	30,00,000
12.	21/05/2025	50,00,000	21/05/2025	65,00,000
13.	28/05/2025	45,00,000	28/05/2025	50,00,000
14.	31/05/2025	50,00,000	31/05/2025	45,00,000
15.	31/05/2025	60,00,000	31/05/2025	50,00,000
16.	06/06/2025	70,00,000	06/06/2025	60,00,000
17.	18/06/2025	30,00,000	18/06/2025	70,00,000
18.	31/07/2025	40,00,000	31/07/2025	30,00,000
19.	06/08/2025	60,00,000	06/08/2025	40,00,000
20.	12/08/2025	1,10,00,000	12/08/2025	60,00,000
21.	19/08/2025	32,50,000	19/08/2025	1,10,00,000
22.	26/08/2025	80,00,000	26/08/2025	32,50,000
23.	-	-	30/08/2025	80,00,000

*The issue and allotment under this Right Issue is out of the purview of financial year under review.

3. The above allotments were made to its Holding Company as a part of financial arrangement and as an object for the initial public offer of the Holding Company.

The Company has entered into a Share Subscription and Shareholders' Agreement and a Power Supply and Consumption Agreement dated March 24, 2026 to acquire 26% non-controlling stake in Serentica Renewables India 33 Private Limited, a subsidiary of Serentica Renewables India Private Limited, in tranches, for sourcing renewable power as a captive consumer for a contracted capacity of 32 MW.

FOR NAM AND ASSOCIATES
Company Secretaries

Sd/-

_____

Neha Marathe
Proprietor
FCS No. 11767 CP No. 47927
PR No. 3586/2023

Place: Pune
Date: May 15, 2026
UDIN: F011767H000372699

ANNEXURE A

To,
The Members
SANATHAN POLYCOT PRIVATE LIMITED
SR V No. 187/4/1/2, Near Surangi Bridge,
Surangi Dadra & Nagar Haveli
Silvassa Dadra & Nagar Haveli DN-396230.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR NAM AND ASSOCIATES
Company Secretaries

Sd/-

_____
Neha Marathe
Proprietor
FCS No. 11767 CP No. 47927
PR No. 3586/2023

Place: Pune
Date: May 15, 2026
UDIN: F011767H000372699

Annexure 7

COMPLIANCE CERTIFICATE UNDER ESOP

Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021

To,
The Members,
SANATHAN TEXTILES LIMITED
Srv No. 187/4/1/2, Near Surangi Bridge,
Surangi Dadra & Nagar Haveli,
Silvassa, 396230

I Devendra V Deshpande Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on July 16, 2024 by the Board of Directors of SANATHAN TEXTILES LIMITED (hereinafter referred to as 'the Company'), having CIN: L17299DN2005PLC005690 and having its registered office at Srv No. 187/4/1/2, Near Surangi Bridge, Surangi Dadra & Nagar Haveli, Silvassa, 396230. This Certificate is issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations').

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Scheme including designing, maintaining records, and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Company has implemented following scheme of ESOP viz Sanathan Textiles Limited - Employee Stock Option Plan - 2021 in accordance with the Regulations and the Special resolution passed by the members at the General Meeting of the Company held on November 25, 2021 and the same scheme was ratified by the Company by passing Special Resolution passed by the member through postal ballot dated April 07, 2025 as per the requirement of Regulation 12 of the Regulations.

For verifying the compliance of the Regulations, I have examined the following:

1. Scheme(s) received from/furnished by the Company.
2. Articles of Association of the Company.
3. Resolutions passed at the meeting of the Board of Directors.
4. Shareholder's resolutions passed at the General Meeting(s).
5. Minutes of the meetings of the Nomination and Remuneration Committee.
6. Relevant Accounting Standards as prescribed by the Central Government.
7. Detailed terms and conditions of the scheme as approved by the Nomination and Remuneration Committee.
8. Exercise Price
9. Disclosure by the Board of Directors.
10. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder.
11. Other relevant documents / filing / records / information as sought out and made available to us and the explanations provided by the Company.

Certification:

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I certify that the Company has implemented the Sanathan Textiles Limited - Employee Stock Option Plan - 2021 in accordance with the applicable provisions of the Regulations and Resolution(s) of the Company in the General Meeting(s).

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Sd/-

_____

DEVENDRA V. DESHPANDE
Proprietor
FCS 6099 CP 6515
PR No. 1164/2021
UDIN: F006099H000372817

Place: Pune
Date: May 15, 2026



Management Discussion and Analysis

Cautionary statement regarding forward-looking statements

This Management Discussion and Analysis contains forward-looking statements describing the Company's objectives and expectations. These statements may be identified by words such as "anticipate", "believe", "estimate", "expect", "intend", "plan", "project", "will" and similar expressions. Forward-looking statements are based on assumptions and expectations of future events that the Company believes to be reasonable as at the date of this report, but are subject to risks and uncertainties, many of which are outside the Company's control. Actual results may differ materially from those expressed or implied. Important factors that could cause such a difference include changes in economic conditions, demand and pricing in the domestic and international markets in which the Company operates, movements in raw material and energy costs, changes in Government regulations, tax regimes and trade policy, litigation, and labour relations. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Economic Review

Global Economy

At the beginning of CY 2025, the global economy was expected to strengthen gradually, supported by easing inflation, improving financial conditions and a recovery in world trade. Heightened geopolitical tensions and supply chain disruptions tested that expectation through the year. The global economy nonetheless proved resilient, recording growth of 3.4%, led principally by sustained domestic demand across the major economies.

World Output Advanced Economies Emerging Market and Developing Economies

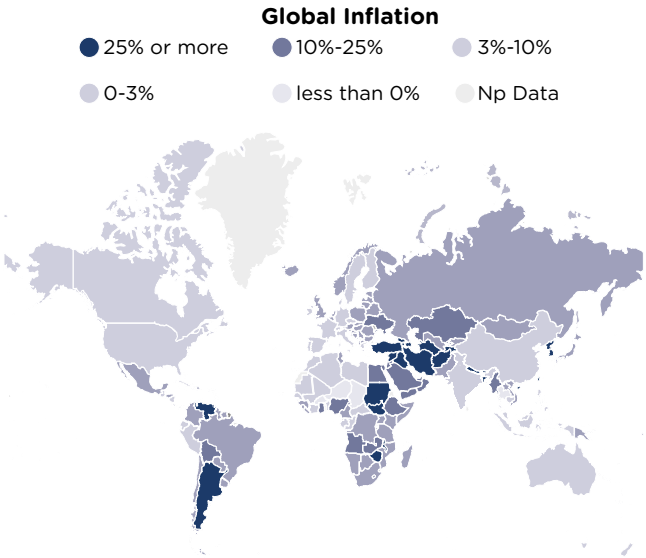
(Real GDP, annual percent change)	2025	2026	2027
World Output	**3.4**	**3.1**	**3.2**
Advanced Economies	**1.9**	**1.8**	**1.7**
Germany	0.2	0.8	1.2
France	0.9	0.9	0.9
Italy	0.5	0.5	0.5
Spain	2.8	2.1	1.8
Emerging Market and Developing Economies	**4.4**	**3.9**	**4.2**
Emerging and Developing Asia	5.5	4.9	4.8
China	5.0	4.4	4.0
India	7.6	6.5	6.5
Emerging and Developing Europe	2.0	2.0	2.1
Russia	1.0	1.1	1.1
Latin America and the Caribbean	2.4	2.3	2.7
Brazil	2.3	1.9	2.0
Mexico	0.6	1.6	2.2
Middle East and Central Asia	3.6	1.9	4.6
Saudi Arabia	4.5	3.1	4.5
Sub-Saharan Africa	4.5	4.3	4.4
Nigeria	4.0	4.1	4.3
South Africa	1.1	1.0	1.3
Memorandum			
Emerging Market and Middle-Income Economies	4.4	3.8	4.1
Low-Income Developing Countries	4.8	4.8	4.9

Source: MP, World Economic Outlook, April 2026

Note: For India, data and projections are presented on a fiscal year (FY) basis, with FY 2025/26 (starting in April 2025) shown in the 2025 column, India's growth projections are 6.5 percent for 2026 and 6.7 percent for 2027 besed on calendar year.

Central banks continued to pursue calibrated monetary policies directed at preserving macroeconomic stability, while global trade remained an important driver of economic activity. Towards the latter part of the financial year, the conflict in West Asia introduced fresh uncertainty, with the potential to affect energy markets, supply chains and the cost of energy-intensive commodities and services.

Global inflation remained broadly stable compared with CY 2024, at 4.1%. Inflation in advanced economies stood at 2.5%, while Emerging Markets and Developing Economies recorded inflation of 5.2%. Although trade tensions and supply chain disruptions created temporary pressures, trade activity remained broadly steady as supply chains and sourcing networks continued to realign.[2]



[1]https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

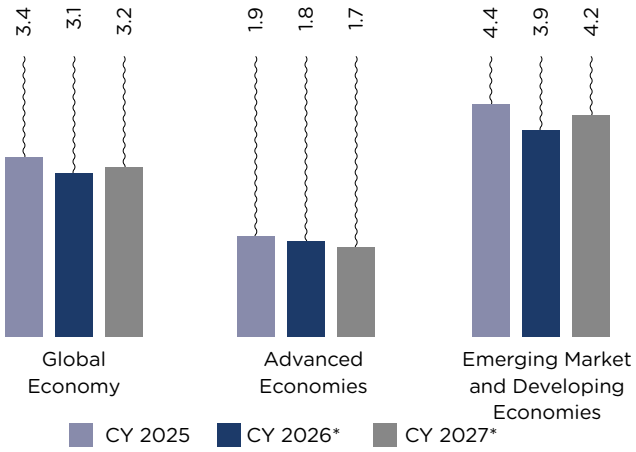
[2]https://www.imf.org/external/datamapper/PCPIPCH@WEO/OEMDC/ADVEC/WEOWORLD

Outlook

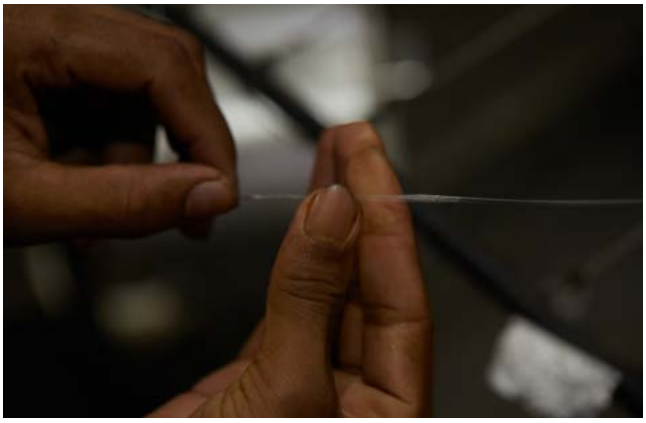
Global GDP growth is projected to moderate to 3.1% in CY 2026 before recovering marginally to 3.2% in CY 2027, supported by sustained investment in technology, digital infrastructure and manufacturing. Over the medium term, improving business sentiment, easing trade-related pressures and continued supply chain diversification are expected to support economic activity across regions. Geopolitical tensions in West Asia and evolving global trade dynamics are, however, expected to remain key influences on global growth prospects.

Emerging Markets and Developing Economies are expected to sustain relatively stronger momentum, projected at around 3.9% in CY 2026 and improving to 4.2% in CY 2027, supported by domestic demand and policy support across the major economies.

Global Real GDP Growth Projection **(%)**



*Projected. Source: International Monetary Fund, World Economic Outlook, April 2026 IMF April 2026



Indian Economy

India retained its position as the world's fastest-growing major economy in FY 2025–26. According to the Provisional Estimates released by the National Statistics Office, real Gross Domestic Product grew by 7.7%, up from 7.1% in FY 2024–25, taking real GDP to ₹323.12 lakh crores. Nominal GDP expanded by 8.9%, while real Gross Value Added grew by 7.9%. Momentum was sustained through the year, with fourth-quarter real GDP growth at 7.8%.

What distinguished the year was the character of that growth. It was led decisively by domestic demand. Private Final Consumption Expenditure, the single largest component of GDP, accelerated to 7.7% from 5.8% in the preceding year, while Gross Fixed Capital Formation grew 8.2% against 6.4%. Government consumption and exports, by contrast, moderated. Growth in FY 2025–26 was therefore anchored in the Indian household and the domestic investment cycle rather than in fiscal or external stimulus. On the supply side, manufacturing was a standout, growing 10.7% against overall Gross Value Added growth of 7.9%.[3]

Provisional Estimates of GDP along with Expenditure Components and National Income at Constant Prices

SL. No.	Item	2022-23	2023-24	2024-25 (FRE)	2024-25 (FRE)	Percentage Change Over Previous Year		
						2023-24	2024-25	2025-26
Domestic Product								
1	GVA at Basic Prices	2,37,63,761	2,54,81,220	2,73,36,495	2,94,91,988	7.2	7.3	7.9
2	Net Taxes on Products	23,53,866	25,19,547	26,52,124	28,20,946	7.0	5.3	6.4
3	Gross Domestic Product (GDP)	2,61,17,627	2,80,00,767	2,99,88,619	3,23,12,034	7.2	7.1	7.7
4	Net Domestic Product (NDP)	2,24,33,361	2,41,44,123	2,59,29,189	2,79,32,650	7.5	7.4	7.7
Expenditure Components								
5	Private Final Consumption Expenditure (PFCE)	1,49,22,828	1,57,85,257	1,66,99,851	1,79,93,871	5.8	5.8	7.7
6	Government Final Consumption Expenditure (GFCE)	28,90,910	29,07,652	30,95,570	32,64,882	0.6	6.5	5.5
7	Gross Fixed Capital Formation (GFCF)	84,53,506	90,66,633	96,47,792	1,04,34,799	7.3	6.4	8.2
8	Changes in Stocks (CIS)	1,73,370	3,76,012	3,82,573	4,22,320	116.9	1.7	10.4
9	Valuables	3,60,668	3,27,047	3,33,382	3,03,210	-9.3	1.9	-9.1
10	Exports	62,78,722	63,23,241	67,37,996	71,64,918	0.7	6.6	6.3
11	Imports	69,62,377	68,90,492	72,56,195	76,61,875	-1.0	5.3	5.6
12	Discrepancies	0	1,05,418	3,47,650	3,89,909	0.4	1.2	1.2
13	GDP	2,61,17,627	2,80,00,767	2,99,88,619	3,23,12,034	7.2	7.1	7.7

[3]https://www.mospi.gov.in/uploads/latestReleases/latest_release_1780655857536_5ac01869-ca4a-422d-b7a7-57b81da60932_Press_Note_on_GDP_Estimates_for_Q4_2025-26_and_PE_FY_2025-26_F.pdf

Several policy conditions underpinned this performance. Headline inflation eased to 1.7% during April–December 2025, improving real purchasing power, while a cumulative 125 basis point reduction in the policy repo rate since February 2025 lowered borrowing costs across the economy. The rationalisation of GST rates in September 2025 and the restructuring of personal income tax supported consumption demand, while sustained public capital expenditure anchored the investment cycle. Banking sector balance sheets strengthened, with gross non-performing assets at a multi-decade low of 2.2%.

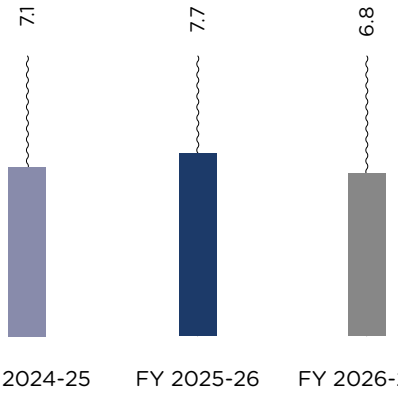
The external environment was less accommodating. Elevated tariffs imposed by the United States created stress for Indian manufacturers, particularly exporters, and weighed on business confidence.

Outlook

The outlook for FY 2026–27 is one of steady expansion accompanied by external uncertainty. The Economic Survey 2025–26 projects real GDP growth in the range of 6.8%–7.2%, with India's medium-term potential growth assessed at around 7%. The year is expected to be one of adjustment, as firms and households absorb the recent tax and regulatory reforms, with domestic demand and investment gaining strength through the period. Balance sheets across households, corporates and banks are healthier than in earlier cycles, public investment continues to support activity, and private investment intentions are improving conditions that should sustain the consumption-led momentum witnessed during the year under review.

Externally, risks remain elevated. Trade fragmentation, tariff-related disruption and geopolitical tensions could intermittently weigh on exports and investor sentiment, though the conclusion of ongoing trade negotiations with the United States may ease some of this uncertainty. Inflation, presently at historically low levels, is expected to firm modestly. On balance, the risks to growth remain broadly even.

India — Real GDP Growth Rate (%)



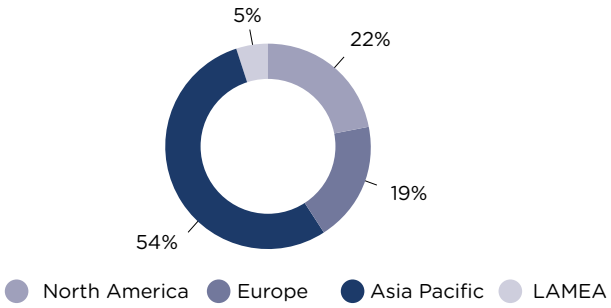
P – Projected. Sources: Ministry of Statistics and Programme Implementation (FY 2024–25 and FY 2025–26); Economic Survey 2025–26, Ministry of Finance (FY 2026–27 projection)

Industry Overview

Global Textile Industry

The global textile industry is estimated at approximately USD 2,123.72 billion in CY 2025 and is projected to reach nearly USD 4,016.50 billion by CY 2034. The Asia Pacific region accounts for nearly 54% of the market, while North America and Europe contribute around 22% and 19% respectively.[4]

Textile Market Share, By Region, 2025

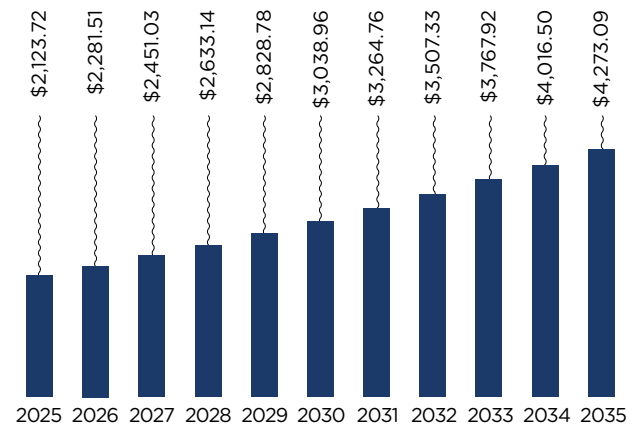


Source: https://www.precedenceresearch.com/textile-market



[4]https://www.precedenceresearch.com/textile-market

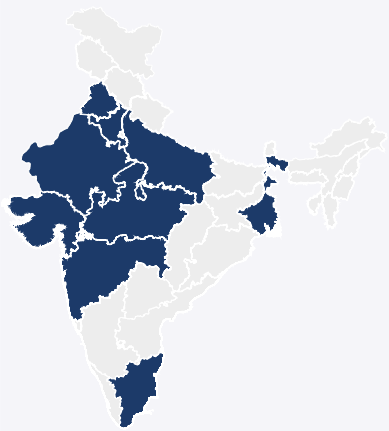
Textile Market Size 2025 to 2035 **(USD Billion)**



Source: https://www.precedenceresearch.com/textile-market

Global fibre production reached a record 132 million tonnes in 2024, up from approximately 125 million tonnes in 2023, having more than doubled since 2000. Polyester remained the single largest fibre, accounting for 59% of global output, while cotton retained its position as the second most widely produced fibre with a share of approximately 19%. Per capita fibre consumption stood at 16.2 kilograms in 2024, against 8.3 kilograms in 1975, reflecting the combined effect of population growth, rising incomes and shorter product cycles.

Significant textile clusters



- Punjab
- Haryana
- Delhi (NCR)
- Rajasthan
- Uttar Pradesh
- West Bengal
- Madhya Pradesh
- Gujarat
- Maharashtra
- Tamil Nadu

Source: Textile Exchange based on Maia Research and global data compilation.

Outlook

On current trends, global fibre production is projected to reach approximately 169 million tonnes by 2030, with per capita consumption rising above 19 kilograms. The global apparel market, valued at approximately USD 1.9 trillion in 2025, is expected to grow at a compound annual rate of approximately 4.1% between 2026 and 2034, supported by rising disposable incomes, the expansion of e-commerce and sustained demand for casualwear and athleisure.

Two structural themes are likely to shape the decade: the continued shift in fibre mix towards man-made fibres, and

mounting pressure from brands and regulators for verified sustainability credentials, traceability and genuine textile-to-textile circularity.

Against this, trade fragmentation and tariff realignment across major consuming markets remain a source of near-term uncertainty.

Indian Textile Industry

India remains the world's second largest producer and exporter of textiles, and among the largest manufacturers of yarn globally. The sector contributes approximately 2% of India's GDP and about 11% of manufacturing Gross Value Added, and employs more than 45 million people, making it one of the country's largest sources of livelihood.[5]

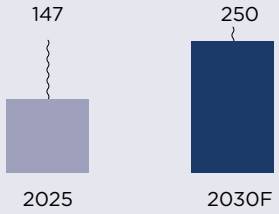
During FY 2025–26, amidst a challenging geopolitical environment, India's textile exports including handicrafts rose 2.1% to ₹3,16,334.9 crore, from ₹3,09,859.3 crore in the preceding year. Ready-Made Garments remained the largest category at ₹1,39,349.6 crore, growing 2.9%. Notably, man-made yarn, fabrics and made-ups grew 3.6% to ₹42,687.8 crore, outpacing cotton yarn, fabrics, made-ups and handloom products, which were broadly stable at ₹1,02,399.7 crore. Export growth was recorded across more than 120 destinations, reflecting meaningful geographic diversification at a time when tariff actions in certain major markets weighed on sentiment. Domestically, cotton production for the 2025–26 season was estimated at 292.15 lakh bales of 170 kg each.

[5]https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation

Indian Textile Industry

MARKET SIZE

Textiles and Apparel Industry (US$ billion)

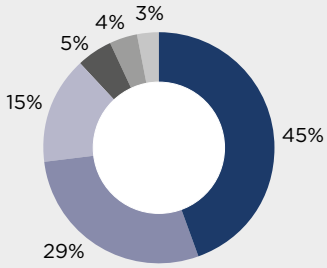


Key Facts

- Contributes 2.3% to India's GDP
- Employs over 45 million people
- Contributes 12% to India's export earnings

SECTOR COMPOSITION

Share of India's textile exports FY26

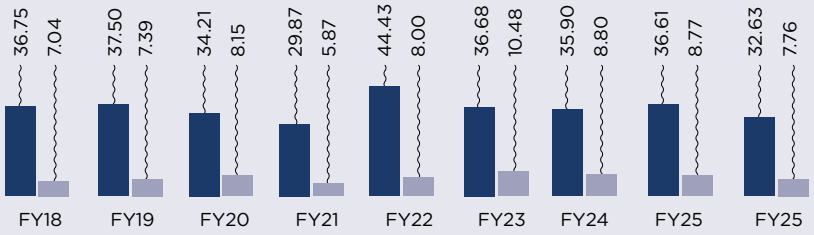


- Ready Made Garments (RMG)
- Cotton Yarn/Fabs./Made-ups/Handloom Products
- Manmade Yarn/Fabs./Made-ups, Stable Fibre
- Handicrafts excl. Hand-made Carpet
- Carpet excl. Hand-made Carpet, Silk Carpet
- Jute Mfg. including Floor Covering, Other Textile, Yarn, Fabric Made-up

Note: Until February 2026

KEY TRENDS

Textiles Trade (US$ billion)



Note: Until February 2026;

GOVERNMENT INITIATIVES

- National Technical Textiles Mission
- Amended Technology Upgradation Fund Scheme (ATUFS)
- Export Promotion Initiatives
- PM Mitra Park
- PLI Schemes

ADVANTAGE INDIA

- **Robust demand:** India's overall per capita fibre consumption stands at approximately 5.5 kg per capita. Man-Made Fibre (MMF) & Blends contributes 52.2% of total consumption (per capita MMF consumption is around 3.1 kg).
- **Competitive advantage:** Union Minister of Commerce and Industry, Mr. Piyush Goyal, emphasised that the India-United Kingdom (UK) Free Trade Agreement (FTA) opens transformative opportunities for well-established sectors of India such as textiles, leather, and footwear sectors, enhancing competitiveness and visibility in the UK market.
- **Policy support:** The Indian Council of Agricultural Research (ICAR)-Central Institute for Cotton Research (CICR) is implementing a special cotton project under the National Food Security and Nutrition Mission across eight major cotton-growing states, with an outlay of ₹ 6,032.35 lakh (US$ 6.83 million) allocated for FY25-26 to promote best practices and enhance cotton productivity.
- **Increasing Investments:** According to App Apparel Export Promotion Council (APEC), significant opportunities exist to deepen. collaboration between Indian and Japanese firms in the textiles sector, with Tokyo-based companies expressing keen. interest to invest in India. Total FDI inflows in the textiles (including Dyed, printed) sector stood at ₹ 33,002.77 crore (US$ 5,017.15 million) between April 2000-December 2025.

Skill development and human capital

Recognising that the sector's growth depends on the availability of trained manpower, the Government has continued to invest in structured skilling. Under Samarth, the Scheme for Capacity Building in Textiles Sector, a demand-driven and placement-oriented programme of the Ministry of Textiles covering the textile value chain other than spinning and weaving in the organised sector: 3,90,512 beneficiaries were trained between FY 2020–21 and FY 2024–25, with a further 2,04,668 trained during FY 2025–26. A cumulative 4,64,812 beneficiaries have been placed in employment under the scheme. The programme was extended with an outlay of ₹495 crore and a target of training three lakh persons, and carries a minimum placement commitment, with a pronounced emphasis on women's participation.[6]

Skilling efforts have been complemented by capability-building at the specialised end of the value chain, including grants to academic institutions to introduce courses in technical textiles and support to early-stage enterprises in medical, industrial and protective textiles under the GREAT scheme. Alongside, 168 projects have been approved under the National Technical Textiles Mission, of which 79 are research projects.[7]

NATIONAL TECHNICAL TEXTILES MISSION (NTTM)

Driving Innovation. Strengthening Industry. Creating Opportunities.

Aimed at boosting the Technical Textiles sector by fostering R&D, innovation, skilling, industry engagement and market development.

ALONGSIDE, **168 PROJECTS** HAVE BEEN APPROVED UNDER THE NATIONAL TECHNICAL TEXTILES MISSION

FINANCIAL OUTLAY
₹1,480 crore

168
TOTAL PROJECTS APPROVED

79
RESEARCH PROJECTS APPROVED

Strengthening the ecosystem for manufacturing, reducing import dependence and generating employment.

FOCUS OF RESEARCH PROJECTS (79 PROJECTS)

SPECIALITY FIBRES
Development of advanced fibres & composites-carbon, nanofibre, UHMWPE, aramid, glass & natural fibre. Applications in defence, energy storage, healthcare, smart textiles & sustainable materials.

GEOTEXTILES
Innovative geotextiles, geogrids & geocomposites using natural fibres, recycled materials & advanced polymers for pavements, railways, embankments, erosion control & more.

AGRO TEXTILES
Sustainable agro-textiles from natural fibres & agricultural residues for crop protection, mulching, packaging & seed preservation. Includes smart & energy-responsive textiles.

SMART TEXTILES
Advanced smart textiles including photonic fabrics, conductive fibres, wearable electronics, solar-textiles, antenna-integrated materials & high-performance composites.

SKILLING & CAPACITY BUILDING
Training across all 12 segments for workers, students, professionals & industry leaders.

GREAT SCHEME
Empowering young entrepreneurs & startups in emerging technical textile areas.

INDUSTRY ENGAGEMENT
Conferences, workshops, Chintan Shivirs, webinars & outreach activities across the country.

MARKET DEVELOPMENT
Promoting awareness, enhancing exports & increasing adoption of technical textiles nationwide.

Innovating Today, Sustaining Tomorrow - Building a Stronger Technical Textiles Ecosystem for India

[6]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2245992&lang=2&reg=48&utm
[7]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2199519&reg=48&lang=2

Capacity expansion and investment

Achieving the sector's stated ambitions requires a substantial addition of modern, integrated manufacturing capacity, and policy has been directed accordingly. The Production Linked Incentive Scheme for Textiles, with an outlay of ₹10,683 crore, has since inception selected 61 companies which have committed investments of approximately ₹19,077 crore over five years, with an anticipated incremental turnover of ₹1.85 lakh crore and direct employment for around 240,000 persons.

Seven PM MITRA Parks are under development with an approved outlay of ₹4,445 crore up to FY 2027–28, designed to create integrated ecosystems with plug-and-play infrastructure, reduce logistics costs and improve global competitiveness; these are expected to attract investment of approximately ₹85,370 crore.

Capacity creation of this nature is central to the industry's competitiveness, enabling scale economies, backward and forward integration, improved product mix and the ability to service larger global orders reliably.

Market access and Free Trade Agreements

FY 2025–26 was a landmark year for India's trade architecture in textiles. The India–UK Comprehensive Economic and Trade Agreement was signed in July 2025; the India–EFTA Trade and Economic Partnership Agreement entered into force on October 01, 2025; the India–Oman Comprehensive Economic Partnership Agreement was concluded in December 2025 and took effect from June 01, 2026; the India–New Zealand Free Trade Agreement was announced on December 22, 2025; and the India–European Union Free Trade Agreement was concluded on January 27, 2026.

Collectively, these agreements are expected to improve preferential market access, reduce tariff disadvantages, support supply-chain integration and deepen India's participation in global value chains. The India–UK CETA, which provides duty-free access for a very substantial share of Indian goods, is particularly significant for labour-intensive categories such as home textiles, which previously faced tariffs of the order of 12% in that market. Domestic export facilitation also continued, with the extension of the Rebate of State and Central Taxes and Levies and the RoDTEP schemes beyond March 2026.

Outlook[8]

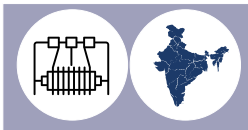
India's textile and apparel market is targeted to reach approximately USD 350 billion by 2030, growing at a compound annual rate of around 10%, with exports targeted at USD 100 billion. Technical textiles, where India is presently the fifth largest market globally and which was valued at USD 29 billion in 2024, represents a particularly strong growth vector.

With man-made fibre segments growing faster than cotton, trade access improving materially through the new agreements, skilled manpower being systematically developed, and integrated capacity being created under the PLI and PM MITRA frameworks, the medium-term outlook for the Indian textile sector remains constructive. Realising this potential will depend on the industry's ability to invest ahead of demand, to move up the value chain, and to meet the increasingly stringent sustainability and traceability expectations of global buyers.

Indian Yarn Manufacturing

India occupies a position of structural strength in global yarn manufacturing, ranking second worldwide in spinning capacity and among the leading exporters of yarn. The industry produces the full spectrum of counts and constructions carded and combed, ring-spun, open-end and compact, greige and dyed, single and multi-fold across cotton, polyester, viscose, blended and specialty yarns. Cotton and polyester together dominate the fibre base, with blended and value-added yarns representing the fastest-growing segment as buyers increasingly seek functional performance alongside comfort.

A structural shift in the fibre mix[9]



India's fibre economy has historically been cotton-led, and continues to reflect a cotton-to-non-cotton consumption ratio of approximately 60:40, against a global average closer to 25:75.

That gap is now narrowing rapidly. Cotton consumption has plateaued at approximately 5.39 million MT in 2023–24, with production broadly flat over more than a decade.



Man-made fibre consumption, by contrast, has risen from 1.31 million MT in 2010–11 to 2.41 million MT in 2017–18 and 4.43 million MT in 2023–24, more than tripling in that period.

Domestic MMF production capacity expanded from 6.25 million MT in 2019–20 to 7.50 million MT in 2023–24.

Significantly, the Ministry of Textiles has proposed, under the draft National Fibre Scheme, an explicit target of a balanced 60:40 man-made to natural fibre consumption ratio by 2030–31 effectively an inversion of the present position with non-cellulosic fibre production, principally polyester, projected to grow at a compound rate of approximately 9.6% to 2030–31. For yarn manufacturers with capability across both cotton and polyester, this transition represents a material opportunity rather than a substitution risk.

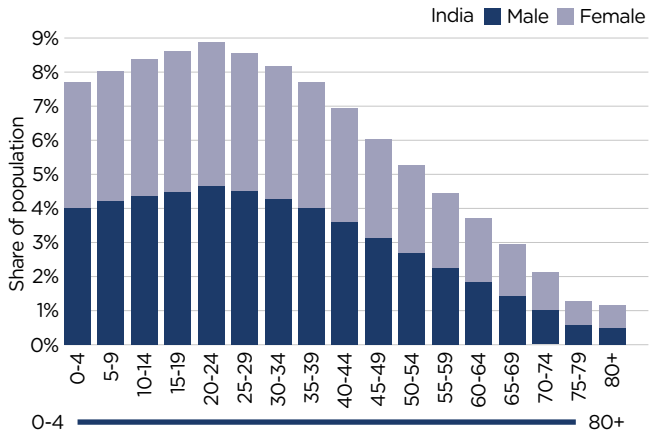
[8]https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation

[9]https://www.texmin.gov.in/static/uploads/2025/12/b56180fbde3114759a80f793979efe32.pdf?utm

Domestic demand and demographics

India's demographic profile is a durable underpinning for domestic yarn demand. With a median age of approximately 29 years and roughly 68% of the population in the 15–64 working-age bracket, India remains among the youngest of the major economies, and its demographic dividend window is estimated to extend to the mid-2050s. A larger earning cohort relative to dependents supports rising discretionary expenditure, and textiles are increasingly purchased as aspirational rather than purely functional consumption.[10]

Demographic pyramid: age and gender distribution



Data sources: World Bank Health.

This is corroborated by the Ministry of Textiles' National Household Survey, 2024 , which indicates that the domestic textile market has grown to approximately ₹14.95 lakh crore, with man-made fibres and blends now accounting for the majority of household textile consumption, and per capita textile spending rising substantially over the period. For the yarn industry, this domestic base provides a counterweight to episodic volatility in export markets.[11]

Sustainability expectations are moving upstream

Global brands have progressively extended their environmental and social scrutiny beyond garmenting and wet processing into the fibre and yarn stages of the chain, where raw material choice is determined and where traceability effectively originates. Certification and verified content have become conditions of participation in premium supply chains, with frameworks such as GRS and OEKO-TEX for man-made fibres and BCI and OCS for cotton increasingly requested at the yarn stage. The most consequential development in this direction is the European Union's Digital Product Passport. Introduced under the Ecodesign for Sustainable Products Regulation, Regulation (EU) 2024/1781, which entered into force on July 18, 2024, it requires a product placed on the European market to carry structured, machine-readable data on its material composition, origin, production history and environmental footprint, accessible through a digital carrier such as a QR code. Textiles and apparel were identified as the foremost priority product group under the Ecodesign and Energy Labelling Working Plan 2025-2030 adopted by the European Commission on April 16, 2025, with the textile-specific delegated act indicatively scheduled for 2027 and compliance obligations expected to follow approximately eighteen months thereafter; the European Union's central registry for Digital Product Passports will become mandatory from 2028. For yarn manufacturers the implication is direct. The fibre and yarn stages generate the origin, composition and processing data on which any downstream passport must ultimately rely, and customers have begun seeking that data well ahead of the statutory deadline. The subject drew considerable attention at Bharat Tex 2026 in New Delhi, where the Apparel Export Promotion Council, in partnership with Green Story, demonstrated India's first live Digital Product Passports across twenty-five garment manufacturing stalls, and the Power loom Development and Export Promotion Council entered into a memorandum of understanding with AWARE to advance traceability readiness in the power loom sector.[12]

The Ministry of Textiles has acknowledged growing global scrutiny of the fibre sector's environmental footprint, particularly the chemical intensity of man-made fibre processing, and has proposed incentives for recycled polyester production, bio-based alternatives, blockchain-enabled fibre traceability and financial support for sustainability certification.

For spinners, the practical levers are energy efficiency and renewable power adoption, water recycling and effluent management in yarn dyeing operations, responsible chemical management, recycled and certified fibre content, and contamination control and yarn quality the last of which reduces waste throughout the downstream chain. These are simultaneously sustainability and efficiency measures, and they are increasingly a determinant of customer access rather than a discretionary initiative.

The role of Government support

Policy support operates on two fronts, both material to yarn manufacturers. Externally, the free trade agreements concluded during the year improve preferential access, reduce tariff disadvantages and support integration into global value chains for Indian yarn and downstream products. Domestically, the Production Linked Incentive Scheme, the National Technical Textiles Mission, the PM MITRA Parks programme, the Mission for Cotton Productivity, and the export remission schemes RoSCTL and RoDTEP collectively address raw material availability, infrastructure, scale and export competitiveness.

[10]https://georank.org/demographics/india

[11]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2249452&reg=3&lang=2

[12]Ecodesign for Sustainable Products Regulation (Regulation (EU) 2024/1781), in force 18 July 2024; European Commission, Ecodesign for Sustainable Products and Energy Labelling Working Plan 2025-2030, adopted 16 April 2025; Bharat Tex 2026 Show Daily, Day 1 (July 2026); PDEXCIL press release, 19 July 2026.

Notably, the Ministry of Textiles has observed that while the PLI Scheme is directed at downstream man-made fibre fabrics and apparel, the sector's growth and global competitiveness will depend on ensuring the availability, accessibility and affordability of man-made fibre through capacity expansion at the fibre and yarn stage, particularly for PET.

Outlook

The outlook for Indian yarn manufacturing is constructive, supported by four reinforcing factors: a structural shift in the domestic fibre mix towards man-made fibres, in line with global consumption patterns; a young and expanding consuming population sustaining domestic demand; materially improved export market access through the new trade agreements; and explicit policy recognition that capacity creation at the fibre and yarn stage is a national priority.

Realising this potential will require the industry to invest ahead of demand, to broaden its product mix towards value-added and specialty yarns, to continue substituting automation for repetitive manual processes while building higher-order technical skills, and to meet the sustainability and traceability standards that increasingly govern access to premium global customers. Competitiveness will also depend on the resolution of long-standing structural issues, including the relative cost of domestic man-made fibre against international benchmarks and the fiscal treatment of different fibres across the value chain.

Company Overview

Origins and operating philosophy

Sanathan Textiles began modestly, with a polyester yarn line of 4,500 MTPA. What that first year established was not scale but discipline and it is the discipline, not the capacity, that has endured. From the outset, management set three conditions against which Capacity addition decision would be measured: that capacity be utilised to its optimum, that output be sold at the best realisation the market will support, and that every rupee of capex earns good return on capital employed.

Two decades on, with installed capacity of 479,250 MTPA across three yarn verticals, that same test is applied to every expansion proposal evaluated by your Company. The question asked is not whether the Company is able to build, nor whether the market might eventually absorb the output. It is narrower and considerably harder: can this capacity be run at optimum, and can what it produces be placed at a realisation that justifies the investment? Capacity has never been an ambition in itself at Sanathan Textiles it is the consequence of answering that question in the affirmative.

A deliberate three-vertical architecture

Sanathan Textiles has been present in all three of its yarn verticals polyester filament yarns, cotton yarns, and yarns for technical textiles since its early years, and that presence has been deliberate rather than incidental. The reasoning becomes obvious once the three cycles are set side by side.

Polyester is a petrochemical derivative; its economics are governed by Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG), which in turn track crude oil and the global polyester chain. Cotton follows an entirely different rhythm an agricultural one, shaped by global climatic trends, sowing acreage, pest incidence, minimum support price operations and the pace of arrivals into the market. Technical textiles answer to neither, their demand driven instead by industrial activity, infrastructure creation, automotive production, defence procurement and the tightening of safety regulation. Three verticals, three largely unrelated sets of drivers.

The practical consequence is that the Company's three verticals rarely move in step, and their cycles tend to offset one another. When polyester margins soften as feedstock runs ahead of yarn prices, cotton and technical textiles take up the slack. When a tighter cotton season lifts fibre costs faster than yarn realisations, polyester provides the ballast. The result is an earnings base that draws steadiness from its breadth rather than depending on any single cycle.

This is not diversification for its own sake, nor is it a hedge in any formal sense. It is a structural decision about what kind of business Sanathan Textiles intends to be one whose earnings are shaped by the average of several cycles rather than by the extremity of any single one.



The product portfolio

The breadth of the Company's product range reflects the breadth of the customers it serves. In polyester, Sanathan Textiles operates a fully integrated setup with both forward and backward integration capabilities, converting raw material into polyester chips and then into yarn through successive stages of processing, each of which imparts specific characteristics to the finished product.

Integration of this kind matters for reasons that extend well beyond cost. It gives the Company control over quality at the polymer stage, which has the greatest bearing on overall yarn characteristics ; it allows a customer's specification to be built into the product from the beginning rather than corrected downstream; it permits a materially wider product portfolio to be offered from the same asset base; and it materially shortens the interval between a requirement being articulated and a sample being placed in the customer's hands. Most importantly, integration strengthens the unit economics of the polyester chain, since value that would otherwise accrue to intermediate suppliers is retained within the Company.

In cotton, the focus is deliberately narrower and more premium finer counts and compact spinning, where consistency of quality commands a differential which many commodity yarn spinners are unable to match. In yarns for technical textiles, the Company manufactures to demanding specification for applications in which failure is not a commercial inconvenience but a safety event, which places the emphasis squarely on tenacity, dimensional stability and batch-to-batch consistency.

Across all three verticals, the Company's products reach apparel, home textiles, automotive, defence, logistics, travel, and sports and athleisure.

Polyester Yarn: a comprehensive range manufactured through a fully integrated setup:

- Partially Oriented Yarn
- Draw Textured Yarn
- Air Textured Yarn
- Fully Drawn Yarn
- Twisted Yarn
- Recycled and Blended Yarn

Cotton Yarn: finer-count (36s to 61s) Cotton Combed Compact Yarn

Yarns for Technical Textiles: specialised yarns engineered for demanding industrial applications requiring high durability and tenacity:

- Low Shrinkage Yarns (HTLS)
- High Tenacity Yarns (GHT)
- Super Low Shrinkage Yarns (HTSLS)
- Low Elongation Yarns (HTLE)



Value addition as a competitive position

Value addition is where the Company has concentrated its development effort, and it is the part of the portfolio that best explains how Sanathan Textiles intends to compete as capacity scales. Commodity yarn is a price business; specification yarn is a relationship business. The former is won on the day and lost the following week. The latter is won by understanding what a customer's requirements, engineering a yarn that allows it to do so, and then delivering that yarn consistently enough that the customer stops looking elsewhere.

It is on that basis that Sanathan Textiles continues to strengthen its core operations through the extensive industry expertise of its management team, and remains focused on enhancing value addition across a diversified portfolio of products and end-use segments including sportswear, leisurewear and fashion apparel, alongside specialised applications such as safety slings, bulletproof jackets and high-altitude combat gear.

That last group merits particular mention. A yarn destined for protective equipment is selected principally on tenacity, on dimensional behaviour under stress, and on the assurance that each consignment will perform consistently with the first. Such business is established over an extended period and is retained through sustained consistency of quality. The Company's value-added range has been developed with that requirement in mind, and each product within it addresses a specification that the standard market was unable to supply.

- **Cationic Dyeable Yarn:** a specialised polyester yarn designed to absorb deeper colours at the molecular level using cationic dyes.
- **Born Dyed Yarn :** eliminates the need for dyeing at the processing stage, accelerating the production cycle and delivering a superior finished product.
- **Stretch Yarn :** offers four-way and dimensional stretchability without the use of spandex, enhancing comfort and flexibility.
- **Specialty Yarn :** moisture-wicking polyester yarn available in multiple colours through dope dyed technology, addressing the growing demand from sports apparel.
- **Puro Cotton Yarns :** used across apparel, suiting, shirting, bed linen and innerwear applications.
- **Sanathan Reviro, a Recycled Yarn :** manufactured using recycled PET waste, supporting sustainable production practices and circular economy objectives.

Scaling the platform

The journey from 4,500 MTPA to 479,250 MTPA was not achieved in a single stride. It is the outcome of two decades of incremental and deliberate capacity creation, in which each step was secured before the next was attempted, and each was preceded by an assessment of where demand was forming, how end-use applications were evolving, and how the maturing of the Indian textile industry was changing the specification of what customers actually required.

That last consideration merits emphasis. Where the Indian market previously sought yarn, it now seeks yarn that performs a defined function within a garment which a brand must be able to describe, certify and substantiate. A manufacturer assessing only volume growth over that period would have built capacity of the wrong specification.

The Company's approach has consistently been to understand the market first and to build second, and that sequencing has proved its value precisely at the moments when it mattered most. Through demand shocks, feedstock volatility and disrupted global logistics, Sanathan Textiles has been able to hold its position and to continue operating at healthy utilisation not through good fortune, but because the capacity had been built against demand that was already identified rather than demand that was merely anticipated.

Market reach and distribution depth

Sanathan Textiles services its markets through an extensive distribution network, comprising a substantial base of agents across states in India and a corresponding network in international markets. The network is not merely the mechanism through which yarn reaches buyers; its contribution to the business is considerably greater.

A manufacturer commissioning significant new capacity without established distribution must build a market and a plant simultaneously, and must fund both while neither is yet generating returns. A manufacturer with depth of distribution is instead placing additional product through channels that already exist, already trust the quality and already have demand waiting. The network Sanathan Textiles has built over two decades is, in that sense, as much a precondition for the Company's recent expansion as the capital that funded it.

The Punjab facility: a decision years in the making

The commissioning of the Punjab facility during the year under review, undertaken through the Company's wholly owned subsidiary Sanathan Polycot Private Limited, was the most significant operational milestone in Sanathan Textiles' history. The decision rested on years of study of the North Indian textile ecosystem its demand profile, its supply gaps, the behaviour of its buyers, and above all its logistics economics undertaken well before a single drawing was prepared.



North India represents a substantial and growing consumption base for yarn, but one that had historically been served over long distances from manufacturing concentrated elsewhere, with the freight cost, lead time and working capital consequences that such distance imposes on every buyer in the chain. The opportunity was not simply to add capacity. It was to remove that structural disadvantage for an entire regional market.

During the year the Polyester Plant at Punjab was commissioned and the facility achieved the maximum capacity of 700 MTPD in the last week of March'26 reflecting both execution discipline and the accuracy of the demand assessment that preceded construction. A ramp-up at this pace was achievable because the product was absorbed by the market as it was produced.

The two manufacturing locations are commercially differentiated by design rather than by circumstance.



Punjab is focused on building a local ecosystem in North India, with an emphasis on green manufacturing and proximity-based supply. Silvassa, with its access to India's western ports, continues to serve domestic and export demand. Each plays to its geography, and together they give the Company a reach that neither could achieve alone.

Conviction, tested

The proposition was not universally endorsed at the outset. It was suggested that Punjab was too distant and that incremental capacity at Silvassa would represent the safer course; that securing regulatory approvals in a new state would prove difficult and slow; and that the North Indian market lacked the maturity to support an integrated yarn manufacturer operating at scale.

None of these objections was frivolous, and the Company treated none of them as such. Each was taken seriously, examined on its merits, and answered. The Company returned to the drawing board where the analysis warranted it, engaged constructively and patiently with the State authorities on the approvals pathway, and ultimately proceeded on the strength of its own assessment of the market rather than on the strength of prevailing opinion about it.

The results have validated that conviction. The facility reached its Phase 1 operational capacity by March 2026, and the Company's consolidated revenue grew 27.1% during the year, driven primarily by the commissioning and ramp-up of the Punjab operation.

Automation, technology and the economics of scale

Automation and technology have been integral to how Sanathan Textiles manufactures, and the Company is clear as to the reasons. The era in which traditional processes alone could sustain a competitive textile operation has passed. Cost optimisation at scale is achievable only through technology in automated warehousing, material handling and packing, in process control and quality monitoring, and in data-driven management that allows a deviation to be identified while it is still a deviation rather than after it has become a rejected consignment.

This is not a matter of preference. Below a certain level of automation, a plant of the Company's scale simply cannot hold its cost position, and no amount of operational effort compensates for the gap.

Equally, and this is the discipline that governs the whole approach, capital expenditure of this magnitude can only be responsibly committed where there is genuine confidence that the resulting output will find a market. Technology enables scale; only demand justifies it. In an environment of persistent external uncertainty, that firm commitment to placement is what allows the Company to anchor itself and continue to move forward with confidence rather than caution.

While Sanathan Textiles has expanded many times before, an expansion of this scale accomplished in a single step is a first for the Company, and its execution has been materially supported by long-standing relationships with globally reputed machinery partners whose high-efficiency equipment underpins both throughput and product consistency. Those relationships, built over many years and several smaller projects, proved their worth when the largest project the Company had ever attempted had to be delivered to schedule.

Human Capital and the vision

Automation and technology support the efficiency the Company pursues, but they do not by themselves produce it. Product, process and people remain the three fundamentals on which the whole of Sanathan Textiles' vision rests, and of the three, it is people who determine how well the other two perform.

The Company's vision for its workforce has been consistent: to level up every employee and every worker, giving each of them a platform to acquire the training or skill that takes them to the next level in the work they do.



The link between capability and compensation is deliberate, because an initiative that improves skill without improving prospects is unlikely to hold anyone's commitment for long. Such initiatives help employees and workers become more efficient and, equally importantly, give them the opportunity to demonstrate capabilities they might otherwise have had no occasion to show.

As at March 31, 2026, the Company had 1,843 employees and 6,053 workers on a consolidated basis, an aggregate workforce of 7,896.

Training is delivered along two distinct streams. The first is work-related, directed at strengthening technical and functional capability in the role a person occupies. The second is soft-skill training, directed at how a person thinks, communicates and approaches an unfamiliar problem. The Company regards both as necessary. Technical skill without the ability to reason through a situation that the manual does not cover has a ceiling and that ceiling matters more, not less, in an increasingly automated environment where the value of a role lies in judgement rather than in repetition.

The Company also operates a structured rewards and recognition framework, so that employees know that effort extending beyond their key result areas work undertaken to achieve an outcome that was not expected of them will be noticed and acknowledged. Recognition of this kind is what converts a stated culture into a practised one.

Alongside functional training, the Company conducts structured programmes on cyber security, awareness of digital fraud, digital data protection, and the prevention of sexual harassment at the workplace. As operations become more dependent on connected systems and on data, awareness at the level of the individual employee has become as material a control as any technical safeguard.

Yarn manufacturing has historically been a male-dominated industry in the past, and the Company is clear-eyed about that. Sanathan Textiles has consistently treated equality and respect as non-negotiable and employs women across its Mumbai head office and at both of its manufacturing facilities, at Silvassa and in Punjab.



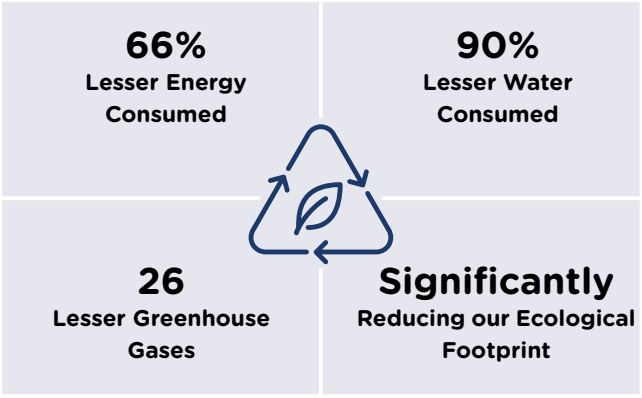
Sustainability as a commercial discipline

Consumers are increasingly brand-conscious, and brands, in turn, are increasingly sustainability-conscious. Sanathan Textiles therefore approaches sustainability as a commercial question quite as much as an environmental one, and asks it in a specific form: which green practices can be improved so that the Company enhances its own efficiency and remains commercially viable, while credibly supporting the sustainability narrative that its customers must themselves be able to substantiate to their buyers and regulators? Framed that way, the question stops being about compliance and starts being about market access.

Several of the Company's value-added yarns support functional textiles whose use reduces water and power consumption and improves efficiency in downstream processing which means the environmental benefit accrues not only within the Company's own boundary but throughout the chain that follows it.

Sanathan Reviro :

It is an environmentally sustainable yarn made from waste PET bottles to significantly reduce ecological footprint of the Company.



Within its own operations, the Company's Punjab facility uses agri-waste as a heating fuel, after ensuring the moisture quality check, there supporting reduction of reliance on non-renewable energy, treats the entirety of the water used within the facility to achieve zero liquid discharge, and operates in accordance with the Global Recycled Standard, also pallets are used rather than cartoon for packaging , while plans to generate power through solar are being developed.



Each measure was adopted because it improves resource efficiency, reduces exposure to input cost volatility, or preserves access to customers for whom verified sustainability credentials have become a condition of doing business rather than a preference. The Company expects that scrutiny to intensify, particularly as export markets formalise their environmental requirements, and regards the work done to date as groundwork rather than achievement.

Navigating external volatility

After the commissioning of the Punjab facility, the defining feature of the year under review was the external environment itself. Several conditions bore upon the industry concurrently and along different timelines - successive revisions to the tariffs applicable to Indian goods entering the United States, movement in the Quality Control Order regime, changes in GST rates, and a conflict in West Asia that transmitted into supply chains, with the sharpest effects falling on industries linked to crude oil. By the nature of its polyester business, your Company sat within that transmission.

United States trade policy moved repeatedly through the year, and in both directions: duties were raised sharply in the opening quarter, moderated under a bilateral interim framework, and reset following the ruling of February 2026 that replaced the reciprocal tariffs with a uniform Section 122 rate. Direct exposure to that market was less; the greater part of the effect reached your Company indirectly, through the order books of downstream customers, and was therefore a matter of demand timing rather than of realisation.

On Quality Control Orders, your Board considers it worth stating the position plainly, as a degree of misunderstanding persists. QCOs regulate the entry of sub-standard material at the border; they do not constrain a BIS-certified domestic manufacturer. Your Company is certified and manufactures to those standards as routine practice. When the orders are in force, the compliance threshold rises for the imported material against which your Company competes. When withdrawn, your Company competes on consistency, batch integrity and delivery reliability, as it always has. In neither state is its capability or cost structure impaired. The orders on polyester fibre, yarn and the principal feedstocks were revoked by order in November 2025; subsequent to the year-end, that withdrawal was stayed and compliance reimposed on certain filament categories pending further hearing. Your Company was compliant throughout.

That these exposures did not translate into disruption was a function of preparation. Purchases of purified terephthalic acid and mono ethylene glycol were forecast and placed ahead of the disruption rather than in reaction to it, and the scale of production was not affected at any point. More fundamentally, your Company operates three yarn verticals, and the year's pressures were not uniform across them, crude-linked volatility bore on polyester, while cotton followed its own agricultural cycle and speciality yarns followed end-use demand. A single-fibre producer meets such a year as one shock; a diversified producer meets it as partially offsetting movements, retaining the ability to shift mix toward whichever vertical the market is rewarding. Domestic demand, at 97% of sales, anchored the balance.

The longer-term structural drivers accordingly remain intact: the sustained global shift from natural to man-made fibre, the reconfiguration of sourcing away from single-geography concentration, a widening trade network, and a policy environment directed at precisely the integrated, scale manufacturers your Company has spent two decades becoming. Volatility alters the sequencing of that opportunity. It does not alter its existence.

Governance, controls and institutional capability

Growth of this nature requires institutional discipline alongside operational capability, and the Company has been deliberate about building both together rather than allowing one to outpace the other.

Sanathan Textiles is guided by a Board comprising an appropriate balance of Executive and Independent Directors - a composition that matters in practice and not merely in form. What gives that balance its substance is the range of experience the Directors bring to the table. Your Board draws together manufacturing depth in the textile value chain, financial experience, banking, legal and regulatory expertise which means a proposal is rarely examined from a single vantage point. A capital expenditure case is read simultaneously as an operating question, a funding question and a risk question, and the person best placed to identify the weakness in each is present in the room.

That breadth is what produces the quality of the discussion rather than merely the fact of it. Proposals placed before the Board are subjected to rigorous examination before approval, and the questions asked are frequently the uncomfortable ones: what has been assumed, what happens if the assumption fails, and who has independently tested it. Deliberations are conducted with intellectual rigour and a willingness to hold a proposal open until it has been genuinely answered rather than merely presented. That discipline ensures governance and commercial considerations are weighed together rather than sequentially, which is the difference between governance functioning as a genuine input to decisions and governance functioning as a formality applied after them.

Risk management and internal control systems are reviewed periodically, with processes independently examined by the auditors and improvements implemented on an ongoing basis, so that the control environment evolves alongside the scale and complexity of the business rather than lagging behind it.

The Company also continues to strengthen its IT infrastructure and cybersecurity posture, recognising that a manufacturing operation increasingly dependent on connected systems and data-driven process control carries a corresponding exposure that must be actively managed. Alongside this, the Company invests in structured training for its employees and workers to build the higher-order technical skills that an increasingly automated manufacturing environment demands because automation does not reduce the need for capability, it raises it.

Financial Overview

Results at a glance

(₹ in Crores, Standalone)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue from Operations	3,329.21	2,957.23	2,996.80	3,037.86
EBITDA	260.68	227.27	265.84	277.10
EBITDA (in %)	7.83%	7.69%	8.87%	9.12%
Depreciation	43.22	44.11	45.43	49.22
Interest	22.42	23.11	18.26	35.03
Profit After Tax	156.20	141.32	174.47	191.91
Profit After Tax (in %)	4.69%	4.78%	5.82%	6.32%

(₹ in Crores, consolidated)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue from Operations	3,329.21	2,957.50	2,998.61	3,811.18
EBITDA	259.53	226.58	263.53	284.35
EBITDA (in %)	7.80%	7.66%	8.79%	7.46%
Depreciation	43.49	44.39	45.86	93.10
Interest	22.42	23.08	17.96	95.85
Profit After Tax	152.74	133.85	160.45	77.35
Profit After Tax (in %)	4.59%	4.53%	5.35%	2.03%

Revenue performance

On a standalone basis, revenue from operations for the year stood at ₹3,037.86 Crores against ₹2,996.80 Crores, with EBITDA improving to ₹277.10 Crores from ₹265.84 Crores. The standalone EBITDA margin expanded to 9.12% from 8.87%, and profit after tax rose to ₹191.91 Crores, or 6.32% of revenue, from ₹174.47 Crores and 5.82% in the preceding year - the fourth consecutive year of margin improvement at the standalone level.

Consolidated revenue rose 27.10% to ₹3,811.18 Crores from ₹2,998.61 Crores, the first material step-up in topline after a period in which revenue had moved within a narrow band. Consolidated EBITDA increased to ₹284.35 Crores from ₹263.53 Crores, while the margin moderated to 7.46% from 8.79%, reflecting the cost of operating newly commissioned capacity through a phase in which volumes were still building toward optimum utilisation.

Depreciation rose to ₹93.10 Crores from ₹45.86 Crores and finance costs to ₹95.85 Crores from ₹17.96 Crores, as project assets were capitalised. Consolidated profit after tax was accordingly ₹77.35 Crores, at 2.03% of revenue.

Operating performance

The margin outcome reflects the commissioning profile of a large new facility. A plant ramping towards its design capacity carries its full fixed-cost base power, manpower, stores and maintenance while producing at below optimal volumes for part of the period. Power and fuel costs rose to ₹343.86 Crores from ₹244.12 Crores, and employee benefits expense to ₹125.28 Crores from ₹99.74 Crores, in both cases reflecting the addition of a manufacturing location.

Understanding the decline in profit: the effect of capitalisation

Profit before tax was ₹114.80 Crores against ₹216.45 Crores, and profit for the year was ₹77.35 Crores against ₹160.45 Crores. Your Company considers it important to explain precisely why revenue grew 27.10% while profit declined, because the two movements have a single, identifiable and largely mechanical cause.

During the year, the Punjab facility became operational. In accordance with Ind AS 16, assets that had until then been carried as capital work-in-progress were capitalised to property, plant and equipment upon becoming ready for their intended use. During the year, Property, Plant and Equipments to the extent of ₹ 1971.05 crores were capitalised, due to which the overall depreciation increased to ₹ 93.10 crores from ₹ 45.86 crores in the earlier year.

From the date of capitalisation, the facility's full cost base began to flow through the statement of profit and loss not only depreciation and finance costs, which are the most visible, but the whole of the fixed cost structure required to run a plant of this scale: manpower, power and utilities at base load, maintenance, insurance and establishment costs. These are incurred in full from day one, and are largely invariant to the volume actually produced.

The corresponding gross margin, by contrast, accrued only in proportion to output. The facility scaled up progressively through the year rather than reaching optimum utilisation at the outset, as is normal while lines are stabilised, product approvals are obtained and the order book is built. The period was also accompanied by certain one-time start-up costs of a nature that does not recur in subsequent years.

The year therefore records the full cost of the asset against a part-year, part-utilisation contribution from it. This is a matter of sequencing rather than of earning capacity: the costs have been absorbed, and the volumes against which they will be recovered lie ahead.

Your Company has reached annual peak net debt in this investment cycle. The borrowing required to build the Phase I of Punjab capacity has been drawn. With debt repayments during the year, the year end net debt is expected to only reduce in future years. Further as that new Plant capacity moves toward higher average utilisation, the operating cash flows generated are expected to service and progressively retire borrowings, and thereafter to fund the expansion opportunities in the pipeline from internal accruals.

Key financial ratios

Key financial ratios, together with explanations for changes of 25% or more compared with the immediately previous financial year, are set out in Note 42 to the Standalone Financial Statements, which forms part of this Annual Report.

Looking forward

The financial profile of FY 2025–26 is characteristic of the year in which a major greenfield facility is commissioned. The cost of the asset is recognised, while only part of its output contributes to the year's revenue. From FY 2026–27 the Punjab facility operates for a complete year, and the Company expects revenue to build against a fixed-charge base that has now been substantially established.

Plants at both the locations are now commissioned and operational, and from a financial standpoint, the substantial portion of the capitalisation, associated with the Punjab facility has been completed. Sanathan Textiles now turns to the next phase of its journey with undiminished appetite: to optimise and lift the utilisation of the Punjab facility and place its output consistently in the market, while sustaining the steady offtake from Silvassa that the Company has built over two decades.

The expansion roadmap ahead comprises Phase 2 of the Punjab facility, the doubling of technical textile yarn capacity at Silvassa from 9,000 MTPA to 18,000 MTPA, and the establishment of cotton yarn manufacturing in Madhya Pradesh. Stabilisation at Punjab and capacity creation across technical textiles and cotton yarn will proceed in parallel, and each is expected to contribute to growth as it comes on stream. Underpinning all of it is a demand environment that runs firmly in the Company's favour, as a young and expanding working-age population sustains domestic consumption over the long term.

There is a temptation, having completed the largest expansion in the Company's history, to treat the achievement as a resting point. Sanathan Textiles does not read it that way. The ground secured over two decades three verticals, two manufacturing locations, a distribution network of real depth, and a demonstrated ability to commission and ramp capacity at scale is valuable precisely because of what it makes possible next. Two decades on, the Company is anchored more securely than at any point in its history.

Corporate Governance Report

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the report contains the details of Corporate Governance systems and processes followed at Sanathan Textiles Limited ("the Company").

1. PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on corporate governance is founded on the principles of ethical conduct, transparency, and accountability. The Company believes that robust governance practices are fundamental to sustainable growth, protection of stakeholder interests, and the creation of long term value. The governance framework emphasizes the role of an independent and effective Board, responsible management practices, and transparent communication with Shareholders and other stakeholders. Through continuous evaluation and periodic enhancement of its governance processes, the Company endeavors to uphold high standards of corporate governance. During the year under review, the Company has complied with all applicable provisions of Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS:

The Board of the Company comprises of an optimum combination of Executive and Independent Directors. The Board of Directors of your Company as on March 31, 2026, comprised of Eight (8) members with Four (4) Executive Directors and Four (4) Independent Directors including One (1) Woman Independent Director.

Mr. Paresh Dattani is the Chairman and the Managing Director of the Company.

During the year under review, Mr. Sammir Dattani was appointed as an Executive Director for a period of five years with effect from May 26, 2025 by the Board on recommendation of the Nomination and Remuneration Committee as part of the Company's strategic succession planning to strengthen Board oversight and governance in place of Mr. Dineshkumar Dattani which was subsequently approved by the shareholders by way of Special Resolution passed at the 20th Annual General Meeting of the Company held on August 04, 2025.

Mrs. Rupal Vora was initially appointed by the Board in its meeting held on March 31, 2023 for a period of three years and her appointment was further

BOARD OF DIRECTORS OF SANATHAN TEXTILES LIMITED AS ON MARCH 31, 2026



Mr. Paresh Dattani
Chairman and Managing Director



Mr. Ajaykumar Dattani
Joint Managing Director



Mr. Anilkumar Dattani
Executive Director



Mr. Sammir Dattani
Executive Director
(with effect from May 26, 2025)



Mr. Debabrata Sarkar
Independent Director



Mr. Khurshed Thanawalla
Independent Director



Mrs. Rupal Vora
Independent Director



Mr. Vinay Aggarwal
Independent Director

approved by the members in their Annual General Meeting held on September 05, 2023 which was effective up to March 31, 2026. Considering her contribution on the Board of the Company and, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on February 06, 2026, approved the reappointment of Mrs. Rupal Vora as an Independent Director for a second term from April 01, 2026 to March 31, 2029. Further, the Company sought the approval of the members vide Postal Ballot. The requisite approvals of the Members with 100% vote in favour were received on June 06, 2026 as per the Scrutinizer's Report received and submitted to the Stock Exchanges where the Shares of your Company are listed.

Apart from it, there was no other changes on the Board.

The Directors of your Company are:

1. not on the Board of more than seven listed Companies.
2. not serving as Independent Directors in more than seven Listed Companies.
3. in compliance with the limit on Independent Directorship of listed Companies as prescribed under Regulation 17A of the SEBI Listing Regulations.
4. fulfill the conditions of Independence (regarding Independent Directors).

During the year, the Board met five (5) times. The Board Meetings were held on May 26, 2025, June 27, 2025, August 07, 2025, November 05, 2025, and February 06, 2026. The meetings were convened to review and approve, inter alia, the financial statements and to deliberate on various operational, strategic, and compliance related matters of the Company.

The Board was provided with comprehensive agenda materials well in advance to facilitate informed decision-making. Your Company ensured strict adherence to the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India at all times during the Financial year 2025-26.

Details of Board of Directors, their attendance at Board Meetings during the year and at the last Annual General Meeting ("AGM") and Directorships, Committee Chairmanships, Memberships in other companies as on March 31, 2026, are given below:

A. Composition, Category of Directors and their other directorship as on March 31, 2026

Name of the Director and DIN	Category	No of Equity Shares held in the Company	No. of Board Meetings attended (5 meetings held)	Whether attended last AGM held on August 04, 2025	No. of Directorships in other Companies[1]		No. of Committee positions held in Public Companies (including the Company)[2]		Directorship in other listed entities (Category of Directorship) [3]
					Chairman	Member	Chairman	Member	
Mr. Paresh Dattani (DIN: 00163591)	Chairman and Managing Director	60,48,831	5	Yes	1	4	-	-	-
Mr. Ajaykumar Dattani (DIN: 00163739)	Joint Managing Director	62,47,432	5	Yes	-	3	-	1	-
Mr. Anilkumar Dattani (DIN: 00164175)	Executive Director	55,82,050	5	Yes	-	2	-	-	-
Mr. Dineshkumar Dattani (DIN: 00163701)	Executive Director	57,13,195	1[4]	Yes	-	-	-	-	-
Mr. Sammir Dattani (DIN: 07060573)	Executive Director	3,63,000	5[5]	Yes	-	-	-	-	-
Mr. Debabrata Sarkar (DIN: 02502618)	Independent Director	-	5	Yes	2	7	1	6	• GOCL Corporation Limited (ID) • Emami Limited (ID) • NDL Ventures Limited (ID) • Finolex Industries Limited (ID)

Name of the Director and DIN	Category	No of Equity Shares held in the Company	No. of Board Meetings attended (5 meetings held)	Whether attended last AGM held on August 04, 2025	No. of Directorships in other Companies[1]		No. of Committee positions held in Public Companies (including the Company)[2]		Directorship in other listed entities (Category of Directorship) [3]
					Chairman	Member	Chairman	Member	
Mr. Khurshed Thanawalla (DIN: 00201749)	Independent Director	-	5	Yes	-	11	2	1	Standard Industries Limited (ID)
Mr. Vinay Aggarwal (DIN: 00030483)	Independent Director	6891	5	Yes	-	1	2	1	-
Mrs. Rupal Vora (DIN: 07096253)	Independent Director	-	5	Yes	1	9	3	5	• Geece Ventures Limited -(ID) • Winro Commercial (India) Limited -(ID) • Saraswati Commercial (India) Limited –(ID) • Walchandnagar Industries Limited –(ID) • Aarti Pharmalabs Limited –(ID)

(ID) Independent Director.

(1) Includes directorship(s) of all public companies whether listed or not and private limited companies but excluding foreign companies and companies registered under Section 8 of the Companies Act, 2013 ('the Act').

(2) Memberships include Chairmanships. Only membership of Audit Committee and Stakeholders Relationship Committee are considered. This includes memberships in deemed public company and chairmanship in only listed company.

(3) Only Equity listed companies are considered as none of the Directors are on board of high value debt listed entities.

(4) Mr. Dineshkumar Dattani ceased to be an Executive Director of the Company w.e.f. May 26, 2025.

(5) Mr. Sammir Dattani was appointed as an Executive Director of the Company w.e.f. May 26,2025

B. Inter-se Relationship among Directors

The Company continues to be steered by its promoter family, which holds a controlling stake, with the textile business legacy having been systematically transitioned from the first to the second generation under a clearly articulated succession framework. The Board includes four Executive Directors drawn from the Promoters/Promoter Group. Members of the second generation have been closely associated with the Company's operations for more than a decade, bringing valuable industry insight and a strong understanding of the business. Their responsibilities are well delineated, enabling focused decision-making and operational efficiency while remaining aligned with the broader strategic objectives of the Company. This planned approach to leadership transition has ensured continuity in management, reinforced governance standards, and positioned the Company to sustain its growth momentum while upholding its core values.

C. Matrix of skills/expertise/competencies of the Board of Directors:

In compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has identified a set of core skills, expertise, and competencies that are deemed essential for effective governance and strategic oversight, considering the Company's business model, industry dynamics, and long-term objectives.

1. Governance, Risk and Compliance
2. Leadership
3. Financial Expertise
4. Stakeholders Management
5. Strategic Planning
6. Industry Experience
7. Operational Experience

As part of the annual performance evaluation of the Board and Individual Directors for the financial year 2025–26, the Company carried out a comprehensive review of the collective skills, experience, and expertise of its Directors. The assessment concluded that the Board is well-composed, possessing a balanced mix of competencies required for effective governance and strategic guidance. A summary of the key skills identified in the Board skill matrix is provided below:

Name of Director	Industry Experience	Operational Experience	Financial Expertise	Strategic Planning	Leadership	Stakeholders Management	Governance, Risk and Compliance
Mr. Paresh Dattani							
Mr. Ajaykumar Dattani							
Mr. Anilkumar Dattani							
Mr. Sammir Dattani							
Mr. Khurshed Thanawalla							
Mr. Debabrata Sarkar							
Mr. Vinay Aggarwal							
Mrs. Rupal Vora							

Expert | Proficient

The Board is constituted in accordance with applicable regulatory requirements and is appropriately structured to maintain an optimal balance of industry expertise, professional experience, and independence. This diverse composition facilitates constructive discussions, robust oversight, and well-informed decision-making at the Board level.

The Executive Directors bring significant operational and strategic expertise in the textile industry, supported by their experience in overseeing large-scale manufacturing operations, driving expansion projects, and ensuring efficient capacity utilization.

The Independent Directors contribute a broad range of knowledge and external perspectives drawn from areas including textile engineering, finance, banking, and legal affairs. Their professional experience in senior leadership positions, along with their association with the boards of other established organizations, strengthens the Company's governance framework and enhances the Board's overall effectiveness.

3. COMMITTEES OF THE BOARD:

In accordance with applicable statutory provisions, the Board has established various committees to facilitate focused supervision and strengthen governance practices. The terms of reference of these committees are defined by the Board and are reviewed periodically to ensure they remain relevant and aligned with the Company's evolving business requirements and regulatory obligations.

a) Audit Committee

The Audit Committee meets the criteria laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

Composition:

The Audit Committee presently consists of three Independent Directors, Mr. Debabrata Sarkar, Mr. Khurshed Thanawalla and Mr. Vinay Aggarwal. Mr. Debabrata Sarkar is the Chairman of the Audit Committee. The Committee met 4 (four) times during the financial year ended March 31, 2026. The attendance record of the members at the meeting was as follows: -

Name of the Audit Committee Members	Designation	No. of Meetings Attended
Mr. Debabrata Sarkar		4/4
Mr. Khurshed Thanawalla		4/4
Mr. Vinay Aggarwal		4/4

Chairman | Member

The Audit Committee comprises solely of Independent Directors, each bringing the necessary financial acumen and professional experience to provide robust oversight of the Company's financial reporting processes and internal control mechanisms. The Committee undertakes detailed reviews of the financial statements and associated disclosures, offering constructive inputs that strengthen transparency and accountability.

Beyond its core financial oversight role, the Audit Committee also monitors the Company's adherence to applicable statutory and regulatory requirements. On a quarterly basis, it reviews key compliance areas, including matters under the Prevention of Sexual Harassment (POSH) framework, compliance with borrowing limits, oversight of investments, and other critical governance aspects.

The Committee maintains regular engagement with the Statutory Auditor, Internal Auditor, Cost Auditor and Secretarial Auditor to evaluate the effectiveness of the Company's audit and compliance systems. These interactions help ensure the independence and integrity of audit processes, supported by timely cooperation and inputs from the management.

b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') of the Board of Directors meets the criteria laid down under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

Composition:

The Nomination and Remuneration Committee presently consists of three Independent Directors, Mr. Debabrata Sarkar, Mr. Khurshed Thanawalla and Mrs. Rupal Vora. Mr. Debabrata Sarkar is the Chairman of the Nomination and Remuneration Committee. The committee met 5 (five) times during the financial year ended March 31, 2026.

The attendance record of the members at the meeting was as follows: -

Name of the Nomination and Remuneration Members	Designation	Number of Meeting Attended
Mr. Debabrata Sarkar		5/5
Mr. Khurshed Thanawalla		5/5
Mrs. Rupal Vora		5/5

Chairman | Member

The Committee plays a pivotal role in matters relating to the composition of the Board and Senior Management, performance evaluation, and ensuring that remuneration policies are aligned with the Company's strategic priorities.

The Nomination and Remuneration Committee (NRC) is entrusted with the responsibility of identifying, evaluating, and recommending appointments as well as determining the remuneration of Directors and Key Managerial Personnel. Its objective is to ensure that the Company is able to attract and retain individuals with the requisite qualifications, experience, and leadership qualities. The Committee also supervises the administration and compliance of the Sanathan Textiles Limited – Employee Stock Option Plan – 2021 ("ESOP Scheme 2021"), including aspects relating to grant, vesting, exercise, and disclosures, in accordance with applicable regulatory requirements.

In addition, the NRC reviews matters concerning senior management recruitment, compensation frameworks, succession planning, and broader human resource practices. It ensures that the Company's policies on employee engagement, remuneration, and performance management remain competitive, compliant, and aligned with its business objectives.

During the year under review, the Committee met at regular intervals and effectively discharged its responsibilities, including consideration of ESOP-related proposals, senior-level appointments, and other statutory matters pertaining to human resource governance.

Remuneration of Directors

The remuneration payable to Executive Directors is governed by the terms and conditions set out in their respective employment agreements as approved by the Board and the Shareholders at the Annual General Meeting.

The remuneration of Independent Directors is determined based on various factors, including their roles on Board Committees, attendance

and active participation in Board and Committee meetings, as well as the outcome of performance evaluations. Independent Directors are paid sitting fees for attending meetings, reimbursement of expenses incurred in connection with such meetings and in accordance with Regulation 46 of the SEBI Listing Regulations, the criteria for payment is disclosed on the investor relations section of the Company's website at www.sanathan.com

Details of remuneration paid to Directors for the Financial Year ended on March 31, 2026, is as under:

(i) Executive Directors

(₹ In crores)

Name	Designation	Fixed Pay	Performance linked commission *	Severance Fees	Stock Options
Mr. Paresh Dattani	Chairman & Managing Director	4	-	-	None of the Directors are eligible for any stock options as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
Mr. Ajaykumar Dattani	Joint Managing Director	4	-	-	
Mr. Anilkumar Dattani	Executive Director	4	-	-	
Mr. Sammir Dattani	Executive Director	3.7	-	-	

*The Executive Directors of the Board were entitled to a Performance linked commission of 1.25% of the net profit per Director, however, they chose not to take any Performance linked commission for the year.

The Company has not entered any contracts or arrangements with any of the Executive Directors for any other consideration payable, other than employment agreement.

(ii) Independent Directors

Name of the Director	Sitting Fees
Mr. Debabrata Sarkar	₹7,25,000
Mr. Khurshed Thanawalla	₹7,75,000
Mr. Vinay Aggarwal	₹6,50,000
Mrs. Rupal Vora	₹7,00,000
Total	**₹28,50,000**

During the period under review, the Independent Directors were paid sitting fees as remuneration as per the Nomination and Remuneration Policy uploaded on the website of the Company at www.sanathan.com and no commission was taken by the Board.

c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee (SRC) meets the criteria laid down under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Composition:

The Stakeholders' Relationship Committee presently consists of three Directors, Mr. Vinay Aggarwal, Mrs. Rupal Vora and Mr. Ajaykumar Dattani. Mr. Vinay Aggarwal is the Chairman of the Committee. The committee met 1 (one) time during the financial year ended March 31, 2026.

The attendance record of the members at the meeting was as follows: -

Name of the Stakeholders' Relationship Committee Members	Designation	Number of Meeting Attended
Mr. Vinay Aggarwal		1/1
Mrs. Rupal Vora		1/1
Mr. Ajaykumar Dattani		1/1

Chairman | Member

The SRC plays a vital role in maintaining transparent and effective communication between a Company and its stakeholders, particularly Shareholders.

Its primary responsibility is to resolve the investor grievances related to issues such as share transfers/transmission, dividend payments, non-receipt of annual reports, etc. The Committee ensures appropriate service standards adopted by the Company in respect of services rendered by the Registrar & Share Transfer Agent. By addressing concerns promptly and fostering trust, the SRC helps strengthen the relationship between the company and its investors.

Number of investor complaints

During the Financial year 2025-26, no complaints were received from investors. The Board has a proper mechanism laid down for evaluating the complaints, if any, received from any stakeholders.

d) Risk Management and Sustainability Committee

The Risk Management and Sustainability Committee (RMSC) of the Board of Directors meets the criteria laid down under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition:

The Risk Management and Sustainability Committee presently consists of three Directors, Mr. Vinay Aggarwal, Mr. Paresh Dattani and Mr. Ajaykumar Dattani. Mr. Vinay Aggarwal is the Chairman of the Committee. The committee met twice during the financial year ended March 31, 2026, which was in compliance, to the extent of the SEBI Listing Regulations applicable to the Company. The attendance record of the members at the meeting was as follows: -

Name of the Risk Management and Sustainability Committee Members	Designation	Number of Meeting Attended
Mr. Vinay Aggarwal		2/2
Mr. Paresh Dattani		2/2
Mr. Ajaykumar Dattani		2/2

Chairman | Member

The RMSC is entrusted with the responsibility of identifying, evaluating, and mitigating risks that may affect the Company's operations, financial performance, or reputation. It establishes and oversees the implementation of robust risk management policies and frameworks to ensure that potential risks are systematically assessed and addressed across the organization. The Committee has also developed a Business Continuity Plan to effectively manage and respond to potential future disruptions.

On an ongoing basis, the Committee reviews emerging risks, including those related to strategy, finance, operations, and regulatory compliance, and provides guidance to the Board on appropriate risk mitigation measures. Through its proactive approach, the RMSC plays a key role in protecting the Company's assets and supporting its long-term sustainability.

e) Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee of the Board of Directors meets the criteria laid down under Section 135 of the Companies Act, 2013.

Composition:

The Corporate Social Responsibility Committee presently consists of three Directors, Mr. Khurshed Thanawalla, Mrs. Rupal Vora and Mr. Anilkumar Dattani. Mr. Khurshed Thanawalla is the Chairman of the CSR Committee. The CSR Committee met 2 times during the financial year ended March 31, 2026. The attendance record of the members at the meeting was as follows : -

Name of the Corporate Social Responsibility Committee Members	Designation	Number of Meeting Attended
Mr. Khurshed Thanawalla		2/2
Mrs. Rupal Vora		2/2
Mr. Anilkumar Dattani		2/2

Chairman | Member

The Company recognizes that its responsibilities extend beyond financial performance and include contributing meaningfully to society and the environment, with a focus on sustainable development and enhancing the well-being of its stakeholders.

Aligned with this philosophy, the CSR Committee is entrusted with formulating and overseeing the Company's Corporate Social Responsibility strategy and initiatives. The CSR Committee identifies key areas for intervention in social, environmental, and economic development, in line with statutory requirements and the Company's guiding principles. It recommends CSR programmes and budgets to the Board, monitors the execution of approved initiatives, and ensures adherence to applicable legal and reporting frameworks.

During the year under review, the Company undertook various CSR initiatives, including contributions towards healthcare, promotion of sports, eradication of hunger, and advancement of education.

Independent Directors' Meeting

In accordance with the provisions of Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held once during the financial year 2025–26, without the presence of Executive Directors or members of the management. The Independent Directors reviewed the performance of the Board, Committees, and Management, and provided their observations. All inputs and suggestions provided during the meeting were duly considered and appropriately incorporated by the Board in its functioning.

4. OTHER INFORMATION

A. Shareholders Meeting

Details of Financial Year, date, time, agenda and location of the last three (3) Annual General Meetings('AGM') are given below:

Financial Year	Date	Time	Agenda	Venue
2024-25	August 04, 2025	04:00 PM IST	1. Adoption of Audited Standalone and Consolidated Financial Statements 2. Re-appointment of Mr. Anilkumar Dattani, Director liable to retire by rotation 3. Appointment of Mr. Sammir Dattani (DIN:07060573) as an Executive Director. 4. Ratification of Cost Auditor remuneration 5. Appointment of Secretarial Auditor and fix their remuneration	The meeting was conducted through Video Conferencing in compliance of Section 96 of the Companies Act, 2013 and the deemed venue of AGM was the registered office of the Company i.e. Srv No. 187/4/1/2, Near Surangi Bridge, Surangi, Silvassa, Dadra & Nagar Haveli-396230.

Financial Year	Date	Time	Agenda	Venue
2023-24	September 27, 2024	10:00 AM IST	1. Adoption of Audited Standalone and Consolidated Financial Statements 2. Re-appointment of Mr. Anilkumar Dattani, Director liable to retire by rotation 3. Ratification of Cost Auditor remuneration	The meeting was conducted through Video Conferencing in compliance of Section 96 of the Companies Act, 2013 and the deemed venue of AGM was the registered office of the Company i.e. Srv No. 187/4/1/2, Near Surangi Bridge, Surangi, Silvassa, Dadra & NagarHaveli- 396230
2022-23	September 05, 2023	11:00 AM IST	1. Adoption of Audited Standalone and Consolidated Financial Statements 2. Re-appointment of Mr. Sammir Dattani, Director liable to retire by rotation 3. Regularize appointment of Mrs. Rupal Vora, Independent Director 4. Ratification of Cost Auditor remuneration	

B. Special resolution was passed by the members of the Company at its Annual General Meeting held on August 04, 2025 to approve the appointment of Mr. Sammir Dattani (DIN: 07060573) as an Executive Director.

C. Special resolution was passed to ratify Sanathan Textiles Limited – Employee Stock Option Plan – 2021 ("ESOP 2021"/ "Scheme") on April 07, 2025 through postal ballot.

D. Special resolutions were passed on June 06, 2026 through postal ballot for the following:

i. To re-appoint Mrs. Rupal Anand Vora (DIN: 07096253), as an Independent Director of the Company

ii. To extend the benefits of Employee Stock Option – ESOP 2021 ("ESOP 2021"/ "Scheme") to employees of Subsidiary Company(ies)

E. Means of Communication

The Company communicates with its stakeholders through established procedures via multiple channels of communication, as outlined below:

Announcement of Financial Results: The financial results (both Standalone and Consolidated) are submitted to the Stock Exchanges on their respective web portals i.e. "NEAPS" and "BSE Listing Center", within the prescribed timelines. These results are also published in the newspapers having wide circulation. Simultaneously, the results are also hosted on the Company's website: www.sanathan.com

Press Release: Official Press release by the Company is filed with the Stock Exchanges and also hosted on the Company's website:www.sanathan.com

News Release: News release related to the Company is hosted on the Company's website: https://www.sanathan.com/newsroom

Website: The 'Investors' section of Company's website hosts Shareholder's related information. Besides the mandatory documents required to be uploaded on the Company's website under the SEBI Listing Regulations, details of earnings call, presentations, press releases, and quarterly reports are also hosted on the website: www.sanathan.com

Presentation(s) to Institutional Investors and Analysts: The schedule of Analyst/Institutional Investors' meetings and presentations made in these meetings/events are filed with the stock exchanges and hosted on the Company's website: www.sanathan.com

5. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting: AGM shall be held on Friday, September 11, 2026, at 04:00 P.M. (IST) via Video Conference/Other Audio Video Means ('VC/OAVM').

2. Financial Year: April 01, 2025 to March 31, 2026

3. The Board of Directors has not proposed any dividend for the Financial Year 2025–26 for the approval of the Shareholders, in view of the Company's ongoing expansion initiative aimed to expand its manufacturing capacity.

4. Listing on Stock Exchanges and Stock Code: The Equity Shares of the Company are listed on the following Stock Exchanges:

Name of Stock Exchanges	Address	Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	544314
The National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051.	SANATHAN

5. The ISIN Number for dematerialized shares: INE0JPD01 013

6. Listing Fee: The Annual Listing Fees have been paid to each of the above Stock Exchanges for FY 2025-26.

7. Disclosures for securities that are suspended from trading: None of the securities of the Company are suspended from trading during FY 25-26.

8. **Registrar and Transfer Agents (RTA):**

   KFIN Technologies Limited

   (SEBI Registration no. INR000000221)

   Registered Address: 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai, 400 070, Maharashtra.

   Correspondence Address: Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy,

   Telangana, India - 500 032.

   Tel: 1800 309 4001

   Mobile No.: (+91) 910 009 4099

   Email : einward.ris@kfintech.com

   Shareholders query service request in electronic mode are to be raised only through website,

   Website : https://ris.kfintech.com
   Email : einward.ris@kfintech.com

9. **Nodal Officer:**
   Jude Patrick D'souza
   Company Secretary and Compliance Officer
   Sanathan Textiles Limited
   D-15, Trade World Building Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India
   Telephone: 91 22 6634 3312/3/4/5/6
   E-Mail : investors@sanathan.com
   Website: www.sanathan.com

6. SHARE TRANSFER SYSTEM

Transfer of shares in electronic form are processed and approved by NSDL/CDSL through their Depository Participant(s), without involvement of the Company.

7. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2026

No. of Shares	No. of Shareholders	Distribution (%)	Paid up Capital	Holding (%)
1-5,000	23,741	89.65	1,48,62,710	1.76
5,001- 10,000	1,847	6.98	1,22,65,430	1.45
10,001- 20,000	448	1.69	62,04,400	0.76
20,001- 30,000	116	0.44	28,66,700	0.34
30,001- 40,000	78	0.30	27,10,490	0.32
40,001- 50,000	43	0.16	19,54,450	0.23
50,001- 1,00,000	118	0.45	85,97,810	1.02
1,00,001 & above	90	0.34	79,45,78,600	94.14
Total	**26,481**	**100%**	**84,40,40,590**	**100%**

8. SHAREHOLDING PATTERN AS ON MARCH 31, 2026

Sr. No.	Particulars	No. of Shares	% of Share Holding
1.	Promoters and Promoter Group	6,63,25,833	78.58*
2.	Institutional Investors, Corporate Investors, Qualified Institutional Buyer, Alternative Investment Fund and Trust	1,11,15,821	13.17
3.	Retail Individual Investor	54,09,804	6.41
4.	Foreign Portfolio Investors and Non Resident Indian	15,52,601	1.84
	Total	**8,44,04,059**	**100%**

*Your Company has got confirmation from the Promoters / Promoters Group that they will comply with the minimum public shareholding requirements as per Regulation 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 applicable to the Company.

9. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has dematerialized all of its 8,44,04,059 Equity Shares out of which 78.58% is held by Promoter and Promoter Group. In accordance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 (SCRR), a newly listed company with an initial public shareholding of less than 25% is granted a period of three years from the date of listing to achieve the minimum threshold of 25% public shareholding.

The Company will ensure compliance before the time frame. The Board and Management are committed to achieving the mandated 25% public shareholding requirement ahead of the deadline.

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

The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments and therefore there are no outstanding Instruments.

11. OUR FACILITY AND OFFICES:

The Company has the following locations: -

Sr. No.	Nature of location	Address
1.	Registered Office	SRV No. 187/4/1/2, Near Surangi Bridge, Surangi, Dadra & Nagar Haveli, Silvassa - 396230
2.	Manufacturing facility at Silvassa	• SRV No. 187/4/1/2, Near Surangi Bridge, Surangi, Dadra & Nagar Haveli, Silvassa – 396230 • SRV No. 320/1/1/2/1/1,314/1,315&314/P, Village Surangi, Silvassa, Dadra and Nagar Haveli 396230
3.	Manufacturing facility at Punjab (through its wholly owned subsidiary i.e. Sanathan Polycot)	Plot No. A-1, Industrial Park Wazirabad, Tehsil & District: Fatehgarh Sahib, Punjab
4.	Corporate Office	D-15, Trade World Building Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra – 400013, India

We also have Sales Offices at Panipat, Ludhiana, Tirupur and Surat.

12. ADDRESS FOR CORRESPONDENCE:

Jude Patrick D'souza
Company Secretary and Compliance Officer

Sanathan Textiles Limited

D-15, Trade World Building Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai – 400013, Maharashtra, India

Telephone: 91 22 6634 3312/3/4/5/6

E-Mail : investors@sanathan.com

Website: www.sanathan.com

13. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company through familiarization programmes has updated the Independent Directors with nature of industry, business of the Company and their roles, responsibilities, rights in the Company etc. The detail of such familiarization programme is available at the website of the Company at https://www.sanathan.com/investor-relations.

Confirmation of Independence by Directors

The Board has taken on record the confirmations submitted by the Independent Directors and after assessing the veracity of the same, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

14. LEADERSHIP AT SANATHAN TEXTILES

Although the Company is promoted by the Dattani family it is professionally managed by leadership teams who are professionals in their respective domains, and they play a pivotal role in steering the organization's growth to ensure operational excellence. The Executive Directors have ensured that transparency and fair accountability is driven throughout the organization, and it is part of the Company's ethos. This collaborative approach ensures a well-balanced framework where

professional execution is strengthened by promoter guidance, fostering transparency, accountability, and long-term value creation for all stakeholders.

As on the date of this report, the following are the Senior Management Personnel: -

Sr. No.	Name	Designation
1.	Mr. Varun Dattani	Executive President– Export and Yarns for Technical Textiles
2.	Mr. Mikesh Dattani	Executive President – Production Planning
3.	Mrs. Beena Dattani	Executive President – Social Welfare
4.	Mr. Aakash Dattani[1]	Executive President – Finance and Sustainability
5.	Mr. Nachimuthu Senthilvel	Chief Operating Officer – (Manufacturing Site)
6.	Mr. Mandiramoorthy Palanisamy	President – Cotton Division
7.	Mr. Gulvinder Singh Aulakh	Site President – Punjab
8.	Mr. Kaushikkumar Mody	Executive President – Operations and Administrations
9.	Mr. Sanjay Shah	Chief Financial Officer
10.	Mr. Raj Kapadia	President – Domestic Sales
11.	Mr. Deepak Prasad	Chief Safety and Security Officer
12.	Mr. Jude Dsouza	Company Secretary and Compliance Officer

1. Mr. Aakash Dattani was appointed as a Senior Management Personnel designated as Executive President- Finance and Sustainability of the Company with effect from November 05, 2025.

15. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART

Details of fees paid to the Statutory Auditor and to all the entities in the network firm/entity of which the Auditor is a part, for the services rendered by them to the Company and its subsidiaries, are provided in the notes to accounts forming part of this Annual Report.

16. OTHER DISCLOSURE

1. Disclosure on material significant related party transactions that may have potential conflict with the interests of the Company at large:

There are no material significant transactions with the related parties that have potential conflict with the interest of the Company. Transactions with related parties as per applicable Indian Accounting Standard have been disclosed in the notes forming part of the Financial Statement.

The Policy on related party transactions, which provides the criteria for determining the materiality of related party transactions and also the manner of dealing with related party transactions, adopted by the Board in accordance with the provisions of Regulation 23(1) of the SEBI Listing Regulations, has been uploaded on the website of the Company at https://www.sanathan.com/investor-relations.

2. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years:

There has been no instance of non-compliance by the Company or penalty and/or stricture imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Market, during the last three years. Further, there is no non-compliance of any requirement of Corporate Governance Report as prescribed under sub-para (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.

3. Vigil Mechanism – Whistle Blower Policy

The Company has adopted a Whistle Blower Policy/Vigil Mechanism and has established the necessary mechanism for Directors / Employees to report concerns about unethical behavior. The Policy has been uploaded to the website of the Company at https://www.sanathan.com/investor-relations.

No personnel have been denied access to communicate to the Audit Committee and/ or its Chairman in case the personnel wants to communicate any complaints / initiate a Whistleblower.

4. Disclosure of Commodity Price Risk and Commodity Hedging Activities

The Company tries to minimize the raw material (PTA and MEG) stock levels, to reduce the commodity price risk. There are no exchanges available to directly hedge the price risk of PTA/ MEG/Polyester Yarn prices.

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

During the year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement.

6. Disclosure on acceptance of recommendations made by Board Committees to the Board

During FY 2025-26, all recommendations made by the Board Committees to the Board of Directors, were accepted by the Board after due deliberations.

7. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to creating a safe and healthy work environment, where every employee is treated with respect and can work without fear of discrimination, prejudice, gender bias or any form of harassment in the workplace. Sanathan Textiles has in place a Prevention of Sexual Harassment Policy ('POSH') in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy is gender neutral and the essence of the policy is communicated to all employees at regular intervals through assimilation and awareness programs. During FY 2025-26, no complaint under the above-mentioned policy has been received.

8. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount':

During FY 2025-26, the Company has not given 'Loans and Advances' to Firms/ Companies in which Directors are interested except to its Wholly Owned Subsidiary i.e. Sanathan Polycot Private Limited.

9. Policy for determining material subsidiaries

The Company has formulated a policy for determining material subsidiaries in terms of Regulation 16 of the SEBI Listing Regulations. This Policy is hosted on the Company's website: https://www.sanathan.com/investor-relations.

The Audit Committee and Board review the Financial Statements, significant transactions and minutes of the subsidiaries.

17. Details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the Statutory Auditors of such Subsidiaries:

The Company has a Material Subsidiary, namely Sanathan Polycot Private Limited and the details of the same are as follows:

1. Date of Incorporation: April 20, 2021
2. Place of Incorporation: Silvassa
3. Registered Office: Srv. No. 187/4/1/2, Near Surangi Bridge, Surangi, D. & N. H., Dadra & Nagar Haveli, Silvassa, Dadra & Nagar Haveli, India, 396230
4. Corporate Office: D-15, Trade World Building, Kamala Mills Compound, S B Marg, Lower Parel, Mumbai, Maharashtra, India, 400013
5. Manufacturing Plant Address: Plot No. A-1, Industrial Park Wazirabad, Tehsil and District Fatehgarh Sahib, Punjab.
6. List of Directors on the Board of the Material Subsidiary, as on March 31, 2026:
    a. Mr. Paresh Dattani
    b. Mr. Ajaykumar Dattani
    c. Mr. Anilkumar Dattani
    d. Mr. Dineshkumar Dattani
    e. Mrs. Beena Dattani
    f. Mr. Khurshed Thanawalla (Independent Director)
7. Business Objective: Sanathan Polycot is in the business of manufacturing Yarns.
8. Scope of Relationship: The Material Subsidiary is a Wholly Owned Subsidiary of the Company.
9. Manufacturing Capacity: 700 MTPD at Punjab Plant
10. Statutory Auditor: M/s Narendra Kochar & Co (Appointed on August 05, 2022)

18. Managing Director & Chief Financial Officer Certificate

In accordance with the provisions of Regulation 17(8) of the SEBI Listing Regulations, certificate of Managing Director and Chief Financial Officer in relation to the Financial Statements for the year ended March 31, 2026, is annexed as Annexure-1 to this Report.

19. Code of Conduct

The Company has framed a Code of Conduct for the Board members and Senior Management which is hosted on the Company's website: www.sanathan.com. All Directors and Senior Management Personnel have affirmed compliance with the above Code for the financial year ended March 31, 2026. A declaration signed by Managing Director affirming compliance with the Code is annexed as Annexure – 2 to this Report.

20. Practicing Company Secretary's certificate on Non-Disqualification of Directors

A certificate has been issued by M/s. DVD & Associates, Practicing Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority. The certificate is annexed as Annexure – 3 to this Report.

21. Certificate of compliance by Secretarial Auditor

In terms of Schedule V of the SEBI Listing Regulations, the certificate of compliance of conditions of Corporate Governance issued by Secretarial Auditor is annexed as Annexure – 4 to this Report.

22. Discretionary requirements as prescribed in Part E of Schedule II of the Listing Regulations

The Company has complied with the following discretionary requirements:

a. The Auditor's report on Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2026, are unqualified.

b. Reporting of Internal Auditor is done to the Audit Committee directly.

23. Disclosure of shares held in suspense account

As per Regulation 34(3) read with Schedule V of the Listing Regulations, no shares of the Company are lying in the suspense account.

24. Other Disclosures

The Company has complied with the requirements under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

25. Credit Rating

Please refer Director's report for details relating to the Credit rating of the Company.

BY ORDER OF THE BOARD OF DIRECTORS
FOR SANATHAN TEXTILES LIMITED
Sd/-
Paresh Dattani
Chairman and Managing Director
DIN: 00163591

Date: August 3, 2026
Place: Mumbai

Annexure 1

MD/CFO Certificate

Chairman and Managing Director and Chief Financial Officer Certificate

Issued under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

A. We have reviewed the Audited Standalone and Consolidated Financial Statements and notes thereof for the financial year ended on March 31, 2026, and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware of and the steps have been taken or propose to be taken to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee that:

   i. there were no changes in the internal control over financial reporting during the year;

   ii. there were no changes in the accounting policies during the year; and

   iii. there were no instances of fraud of which we have become aware.

For Sanathan Textiles Limited

Sd/-
Paresh Dattani
Chairman and Managing Director
DIN: 00163591

Sd/-
Sanjay Shah
Chief Financial Officer

Date: August 3, 2026
Place: Mumbai

Annexure 2

Declaration pursuant to Schedule V of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015

I hereby confirm that all Directors and Senior Management Personnel of the Company have affirmed adherence to the "Code of Conduct for Board members and Senior Management" during the financial year ended on March 31, 2026.

For Sanathan Textiles Limited
Sd/-
Paresh Dattani
Chairman and Managing Director
DIN: 00163591

Date: August 3, 2026
Place: Mumbai

Annexure 3

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 Disclosure Requirements) Regulations, 2015]

To,
Members of,
SANATHAN TEXTILES LIMITED
SRV NO. 187/4/1/2, Near Surangi Bridge,
Surangi, Silvassa,
Dadra & Nagar Haveli -396230.

We have examined the relevant books, papers, minutes books, forms and returns filed, disclosures received from the Directors during the last Financial Year ended on March 31, 2026, and other records maintained by Sanathan Textiles Limited ("the Company") and also the information provided by the Company, its officers, agents and authorized representatives of Sanathan Textiles Limited, CIN: L17299DN2005PLC005690 having its Registered office at SRV NO. 187/4/1/2, Near Surangi Bridge, Surangi, Silvassa, Dadra & Nagar Haveli - 396230 for the purpose of issue of 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) 2015 (LODR), as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose to issue the certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below who are on the Board of the Company as on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India /Ministry of Corporate Affairs or any such other statutory authority:

Sr. No.	DIN	Name of the Director	Designation	Date of Original Appointment
1	00163591	Paresh Dattani	Chairman and Managing Director	October 10, 2005
2	00163739	Ajaykumar Dattani	Joint Managing Director	October 10, 2005
3	00164175	Anilkumar Dattani	Executive Director	October 10, 2005
4	07060573	Sammir Dattani	Executive Director	May 26, 2025
5	00030483	Vinay Aggarwal	Independent Director	November 22, 2021
6	00201749	Khurshed Thanawalla	Independent Director	November 22, 2021
7	02502618	Debabrata Sarkar	Independent Director	November 22, 2021
8	07096253	*Rupal Vora	Independent Director	March 31, 2023

*The Board of Directors, at its meeting held on February 06, 2026, reappointed Mrs. Rupal Vora as an Independent Director for a second term of three consecutive years, commencing from April 01, 2026 up to March 31, 2029. Subsequently, the Company sought the approval of the members through a Postal Ballot Notice dated April 24, 2026 and obtained the requisite approval, with 100% of the votes cast in favor of her reappointment.

We further state that such compliance 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 DVD & ASSOCIATES
COMPANY SECRETARIES

Sd/-
DEVENDRA V. DESHPANDE
Proprietor
FCS 6099 CP 6515
PR No. 7711/2026

UDIN: F006099H000372751
Date: May 15, 2026
Place: Pune

Annexure 4

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

As per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Members of
SANATHAN TEXTILES LIMITED
Srv No. 187/4/1/2, Near Surangi Bridge,
Surangi, Silvassa,
Dadra & Nagar Haveli-396230

1. We have examined the compliance of conditions of Corporate Governance by **Sanathan Textiles Limited ("the Company")** as stipulated under Regulation 17 to 27, clauses (b) to (i) and (t) of Sub - Regulation (2) of Regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2026 as required by the Company for annual submission to the Stock Exchange.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period as mentioned above.

4. We have been explained that no investor grievances are received against the Company as per the records maintained by the Company.

5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Sd/-
DEVENDRA V. DESHPANDE
Proprietor
FCS 6099 CP No. 6515
PR NO: 7711/ 2026

UDIN: F006099H000372762
Date: May 15, 2026
Place: Pune

Business Responsibility and Sustainability Reporting (BRSR)

Locations	Sales Offices
Silvassa	Ludhiana
Punjab	Panipat
	Surat
	Tirupur

17
States served in FY 25-26

21
Countries Exports in FY 25-26

	Male	Female
Employees	1789	54
Workers	5716	337





Business Conduct and Sustainability Issues pertaining to Environmental and Social matters, identified by the Company:



Parameter	FY 2024-25	FY 2025-26	Movement
Energy intensity (GJ/tonne of production)	5.20	5.03	Reduction of 3.27% ↓
Water intensity (KL/tonne)	0.82	0.77	Reduction of 6.10% ↓

Learning and Development :

40 Sessions
Training for Employees

35 Sessions
Training for Workers



Sanathan Textiles - Rewards and Recognition Program



Festivals celebrated at the Plant



Training to enhance Skills given across Facilities



Sanathan Textiles - Library to support growth and knowledge, apart from technical skills enhancement.

No Fines or Penalties Levied on Directors, KMPs or any Employees of the Company.

No Complaints from any employees or workers on Safety

No safety related incidents occurred at Silvassa, Punjab and Mumbai HO.

Numbers of days of accounts payable : **83 days (previous – 63 days)**

Capex : ₹ 73 Crores, to support Environmental Impact:

Energy efficiency and equipment optimisation	Waste heat recovery	Water stewardship and Zero Liquid Discharge	Fuel transition and air emissions

Measures of Well-being

Health Insurance	Accident Insurance	Maternity Benefit	Paternity Benefit	Day Care facilities (under factories Act)
100% For all employees				

Business Responsibility and Sustainability Reporting (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L17299DN2005PLC005690
2. Name of the Listed Entity	Sanathan Textiles Limited
3. Year of incorporation	2005
4. Registered office address	SRV NO. 187/4/1/2, Near Surangi Bridge, Surangi, Silvassa, Dadra & Nagar Haveli - 396230, India
5. Corporate address	D-15, Trade World Building Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai – 400013, Maharashtra, India
6. E-mail	investors@sanathan.com
7. Telephone	022 6634 3312
8. Website	www.sanathan.com
9. Financial year for which reporting is being done	April 01, 2025 to March 31, 2026
10. Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11. Paid-up Capital	₹ 84.40 Crores
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Jude Dsouza, Company Secretary and Compliance Officer Email: investors@sanathan.com
13. Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Consolidated Basis
14. Name of assurance provider	Not Applicable
15. Type of assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Yarn Manufacturing	Sanathan Textiles Limited is one of India's leading integrated and diversified yarn manufacturers with operations across three yarn verticals: Polyester Filament Yarns, Cotton Yarns and Yarns for Technical Textiles	100%



17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Yarn Manufacturing	1311/2030	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	4	6
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States/UTs)	17 (in FY 2025-26)
International (No. of Countries)	21 (in FY 2025-26)

b. What is the contribution of exports as a percentage of the total turnover of the entity?

~3%

c. A brief on types of customers

Sanathan Textiles Limited caters to a highly diversified customer base across both domestic and international markets. Its customers include leading apparel manufacturers, home textile producers, and players in the technical textiles space who rely on high-quality yarn solutions.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	1,843	1,789	97%	54	3%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D + E)**	**1,843**	**1,789**	**97%**	**54**	**3%**
	WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	6,053	5,716	94%	337	6%
6.	**Total workers (F + G)**	**6,053**	**5,716**	**94%**	**337**	**6%**







b. Differently abled Employees and Workers

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0**	**0**	**0**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0**	**0**	**0**

Sanathan Textiles ensures that its facilities are progressively aligned with accessibility standards. However, due to the operations heavy nature of textile manufacturing and the specific physical demands of operating heavy machinery, the factory premises are currently not fully accessible. While employment at production sites is contingent upon medical examinations tailored to these operational safety requirements, the Company continues to evaluate infrastructure enhancements to improve inclusivity where operationally feasible.

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	8	1	12.5%
Key Management Personnel	2	0	0
Senior Managerial Personnel	10	1	10%

22. Turnover rate for permanent employees and workers

Particulars	FY 2025-26			FY 2024-25		
	Male	Female	Total	Male	Female	Total
Permanent Employees	14.11%	0.43%	14.54%	17.42%	0.58%	18%
Permanent Workers	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sanathan Polycot Private Limited	Subsidiary	100%	Yes
2	Universal Texturisers Private Limited	Subsidiary	100%	Yes

All entities over which Sanathan Textiles exercises control, as defined under the provisions of the Companies Act, have been disclosed above.

VI. CSR Details -

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) **- Yes**

(ii) Turnover (in ₹) - **₹ 2,999 Cr (FY 24-25)**

(iii) Net worth (in ₹) - **₹ 1,808 Cr (FY 24-25)**

VII. Transparency and Disclosures Compliances,

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	FY 2025- 2026 Current Financial Year			FY 2024-2025 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	Nil	0	0	Nil
Investors (other than shareholders)	Yes	0	0	Nil	0	0	Nil
Shareholders	Yes	0	0	Nil	0	0	Nil
Employees and workers	Yes	0	0	Nil	0	0	Nil
Customers	Yes	0	0	Nil	0	0	Nil
Value Chain Partners	Yes	0	0	Nil	0	0	Nil

26. Overview of the entity's material responsible business conduct issues –

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate change	Risk and Opportunity	**Risk:** The increasing frequency and severity of extreme weather events poses a direct operational risk to manufacturing continuity, supply chain stability, and the availability and quality of cotton, a climate-sensitive and substantially rain-fed crop. These factors may elevate compliance and operational costs for the textile value chain. **Opportunity:** Proactive reduction of emissions through technology upgrades that enhance energy efficiency, wider adoption of renewable energy, the transition from fossil fuels to cleaner non-fossil sources for process heating, and diversification of raw material origin together present a significant opportunity to optimise operating costs, enhance operational resilience, and strengthen the Company's regulatory standing and brand reputation across both domestic and international markets.	The company is actively pursuing technology upgrades to drive energy efficiency across its operations. It is also in advanced stages of expanding its renewable energy footprint through dedicated investments in generation capacity. At its new Punjab facility, biomass-fired heaters generate process heat from agricultural waste, and the company is evaluating opportunities to replicate this model across other sites. Further the Company's integrated presence across cotton, polyester and technical textiles provides a structural hedge against raw material procurement risks. On the cotton front, the company has a diversified procurement base, and deep supplier connects spanning Asia, South America, North America, and Australia, which ensures a steady supply of quality inputs.	These initiatives are expected to improve financial performance by lowering operating costs and insulating margins from volatility in fuel and electricity prices. The transition will require upfront capital investment in technology upgrades and renewable energy infrastructure, with returns realised over the medium term.
2	Water stewardship	Risk and Opportunity	**Risk:** Manufacturing operations are water-intensive, and the company's downstream customers exhibit elevated water dependence in dyeing, printing, and processing. Growing climate change induced water stress in key operating geographies, coupled with tightening regulatory norms on industrial water use and effluent discharge, presents a material risk to operational continuity and licence to operate. The substantial majority of the water footprint embodied in a cotton yarn arises upstream in cultivation rather than within the Company's own operations. **Opportunity:** Product innovation that reduces the water intensity of downstream operations represents a significant commercial opportunity. Sanathan Textiles' expertise in dope-dyed yarns where colour is integrated at the polymer stage materially reduces the water requirement at the customer's dyeing and processing stage, positioning the company favorably with brands pursuing water-stewardship commitments. Procurement of sustainably grown cotton through sourcing under the Better Cotton programme, which incorporates farm-level water stewardship criteria.	Sanathan Textiles employs a multi-tiered adaptation strategy centred on Zero Liquid Discharge (ZLD) and resource circularity. Groundwater-depletion risk is further mitigated through rainwater harvesting systems and direct drawl of fresh water from alternative sources further reducing its reliance on ground water, across facilities.	Investments in water-efficient technology and ZLD infrastructure entail upfront capital outlay but deliver long-term financial stability by reducing exposure to water-pricing volatility, regulatory penalties, and operational disruptions stemming from local water scarcity.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste Management	Risk	**Risk:** Improper handling of hazardous and non-hazardous waste streams presents threats to human health and the environment, with potential consequences including regulatory penalties, litigation, and reputational damage. **Opportunity:** Implementing effective waste management practices directly reduces greenhouse gas emissions.	Sanathan Textiles mitigates environmental risk through a systematic framework focused on source segregation and resource recovery. By strictly categorizing hazardous, non-hazardous, and electronic waste, the company ensures that all materials are diverted from landfills and handled by authorized entities for recycling or co-processing. This integrated approach ensures full regulatory compliance and minimizes environmental impact by ensuring all by-products are processed through verified, sustainable channels. Cotton spinning operations generate cotton waste across identifiable streams substantially all of this is recovered and sold into value-added downstream applications.	Maintaining rigorous waste protocols involves high operational complexity, where any lapse in the chain of custody could lead to regulatory action, and reputational loss.
4	Occupational Health and Safety	Risk	The company has a manpower strength of around 6000+ and its operations involve high-speed machinery, and elevated process temperatures. The nature of these operations carries inherent occupational health and safety exposures that, if not actively managed, can result in adverse outcomes for personnel and the business.	The Company has implemented a robust Occupational Health and Safety (OHS) framework aligned with recognised safety standards, including ISO 45001 practices. The framework includes regular risk assessments, employee and contractor safety training, near-miss reporting systems, PPE protocols, and incident investigation mechanisms to promote a safe and resilient workplace.	Safety incidents can result in regulatory fines, operational disruptions, compensation liabilities, and reputational harm that may affect customer relationships and order volumes. Conversely, sustained investment in safety systems supports stable production throughput and protects long-term financial performance.
5	Value Chain Sustainability	Risk and Opportunity	**Risk:** The polyester industry depends on a multi-stage, petrochemical-linked supply chain. This results in sustainability exposures arising both from the fossil-fuel intensity of upstream inputs and from the long-distance transportation, storage, and handling requirements that accompany dispersed manufacturing footprints. The size, diversity and fragmented nature of the raw cotton supply chain makes supply chain visibility and traceability challenging. **Opportunity:** Strategic re-alignment of supply chains, including co-location of manufacturing with raw-material sources and end-use markets, reduces material handling and transportation risks, lowers logistics-related emissions, compresses inventory requirements, and shortens lead times to customers. Adoption of global supply chain certifications such as BCI fosters greater supply chain visibility throughout the value chain and a more sustainable approach to sourcing.	The company has proactively invested in supply chain efficiency through its new polyester facility in Punjab, strategically located in proximity to both key raw material sources and core end-use markets. This positioning reduces logistics complexity and strengthens responsiveness to customer demand. Further, the Company's Silvassa manufacturing facility is also located in proximity to key raw material sources and ports and end-use markets.	Supply chain re-alignment is expected to lower operating costs, reduce working capital tied up in inventory, and foster deeper vendor and customer relationships each of which contributes to durable financial performance.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Product Stewardship and Circularity	Risk and Opportunity	**Risk:** Polyester yarn is increasingly scrutinised for its end-of-life impact and microfibre shedding. International regulations are progressively raising the bar on recyclability, recycled-content disclosure, and traceability. Failure to align with these expectations risks loss of access to premium export markets and brand-customer accounts. **Opportunity:** Rising demand from global apparel and home-textile brands for recycled polyester (rPET), traceable fibres, and lower-impact yarns presents a meaningful commercial opportunity. Companies that can credibly supply certified recycled-content products with full chain-of-custody documentation are positioned to command preferential supplier status and price premiums. Cotton yarn is biodegradable and does not contribute to persistent microplastic release, offering a distinct positioning alongside the Company's synthetic portfolio for customers building lower-impact product lines. Demand is growing for certified sustainable cotton — Better Cotton, organic and regenerative-programme fibre — and for recycled cotton blends, in each case supported by documentary chain of custody.	The Company is focused on strengthening its product stewardship and circularity initiatives through the development and expansion of recycled polyester (rPET) and value-added sustainable yarn products. Efforts are being undertaken to enhance traceability and transparency across the supply chain through recognised certifications and chain-of-custody mechanisms. The Company also continues to engage with customers and suppliers to support responsible sourcing practices, improve recyclability, and align product offerings with evolving global sustainability and regulatory expectations. On the cotton front, process waste is almost completely harvested and sold for re-use across various value-added products.	Investments in sustainable product development, certification processes, traceability systems, and recycling-linked infrastructure may increase near-term operating and compliance costs. However, these initiatives are expected to support long-term revenue growth through improved access to premium export markets, stronger relationships with global brands, enhanced customer retention, and potential pricing advantages for certified sustainable products.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable

P2: Businesses should provide goods and service in a manner that is sustainable and safe

P3: Businesses should respect and promote the well-being of all employees, including those in their value chains

P4: Businesses should respect the interests of and be responsive to all its stakeholders

P5: Businesses should respect and promote human rights

P6: Businesses should respect and make efforts to protect and restore the environment

P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P8: Businesses should promote inclusive growth and equitable development

P9: Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	All the listed policies of the Company are available on the website of the Company under Company Policies at https://www.sanathan.com/investor-relations								
2. Whether the entity has translated the policy into procedures. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	To the extent applicable, our policies extend to our value chain partners								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	The Company is committed to complying with all applicable health, safety, and environmental regulations, along with other relevant statutory and operational requirements. It has implemented comprehensive policies and procedures designed to meet legislative obligations, conditions stipulated under licenses and approvals, and the standards prescribed under various certifications, while ensuring the safety and well-being of employees and all personnel working at or associated with its manufacturing facilities. The Company's facilities are certified under ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and are also accredited with Standard 100 by OEKO-TEX, reflecting adherence to globally recognized quality, environmental, and safety standards. Additionally, the Company's IT control framework incorporates robust technical and organizational measures aligned with established industry best practices.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

The Leadership team at Sanathan Textiles ensures the integration of sustainable practices across functions. The Company is presently in the process of formalising its long-term sustainability roadmap, with an initial focus on reducing the resource intensity of its operations.

As the roadmap is developed, the Company will identify Key Performance Indicators against which measurable commitments can be set in areas including energy consumption, greenhouse gas emissions and water usage. Accordingly, the Company has not established quantified targets with defined timelines during the reporting period. FY 2025-26, being the first year of structured sustainability disclosure, has been used to establish a reliable baseline of operational performance against which future commitments will be framed.

6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.

As disclosed in response to Question 5 above, the Company had not established specific quantified commitments, goals or targets with defined timelines during the reporting period. Accordingly, no performance is reported against formal targets for FY 2025-26, and the disclosure relating to reasons for non-achievement is not applicable for this cycle.

The Company has, however, tracked its principal environmental parameters through the year as part of establishing a measurement baseline. The directional performance recorded is set out below and is reported in full in Section C of this Report:

Parameter	FY 2024-25	FY 2025-26	Movement
Energy intensity (GJ/tonne of production)	5.20	5.03	Reduction of 3.27% ↓
Total water intensity (KL/tonne)	0.82	0.77	Reduction of 6.10% ↓

These improvements arose from operational efficiency initiatives and process optimisation undertaken during the year rather than from performance against a pre-set target. They are reported here to establish the baseline against which future commitments will be measured.

During the year, the Company also commissioned and progressed initiatives that will support future target-setting, including the operation of Zero Liquid Discharge systems, and the use of biomass-fired heaters at the Punjab facility for process heat generated from agricultural residue.

The Company expects to define measurable targets, with associated timelines, in the areas of energy, emissions and water intensity as its sustainability roadmap is formalised, and to report performance against those targets from the cycle in which they are adopted.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

Statement by the Director Responsible

At Sanathan Textiles Limited, sustainability is not viewed as a standalone initiative but as an integral part of our business strategy and long-term value creation. As a diversified and integrated yarn manufacturer, we recognize our responsibility towards environmental stewardship, social well-being, and robust governance practices.

ESG Challenges:

The textile industry continues to face evolving challenges, including increasing regulatory expectations with the need to reduce carbon and water footprints, responsible sourcing of raw materials, and managing supply chain transparency. Additionally, balancing rapid capacity expansion with sustainable manufacturing practices remains a key focus area.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9

ESG Targets:

The Company is committed to strengthening its sustainability framework through focused initiatives such as enhancing energy efficiency, increasing the share of renewable energy, promoting circular economy practices through recycled yarns, optimizing water usage, and ensuring responsible sourcing. On the social front, emphasis is placed on employee health and safety, skill development, and community engagement. From a governance perspective, the Company continues to uphold the highest standards of transparency, compliance, and ethical conduct.

ESG Achievements:

During the year, the Company has made significant progress on the ESG front. Key initiatives include advancing the adoption of renewable energy solutions, implementation of environmentally responsible manufacturing processes such as Zero Liquid Discharge (ZLD), and expansion of recycled product offerings. The Company has also strengthened its occupational health and safety framework and maintained compliance with globally recognized certifications. Furthermore, our strategic focus on establishing manufacturing capabilities closer to raw material sources and end markets supports both environmental efficiency and cost optimization.

Going forward, Sanathan Textiles remains committed to embedding sustainability across its value chain and continuously enhancing its ESG performance in line with global best practices and stakeholder expectations.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	The highest authority responsible for the implementation and oversight of the Business Responsibility policies is the Chairman and Managing Director, Mr. Paresh Dattani
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Company has constituted a Risk Management and Sustainability Committee at the Board level to oversee and guide decision-making on sustainability-related matters. The Committee is responsible for reviewing ESG risks, monitoring sustainability performance, and ensuring that environmental and social considerations are effectively integrated into the Company's overall risk management framework.



Mr. Vinay Aggarwal

Chairman of Risk Management and Sustainability Committee



Mr. Paresh Dattani

Member of Risk Management and Sustainability Committee



Mr. Ajaykumar Dattani

Member of Risk Management and Sustainability Committee

The Board of Directors retains ultimate oversight, while the Risk Management and Sustainability Committee provide focused direction and periodic review of sustainability initiatives. The implementation of these policies and initiatives is carried out by the Senior Management Personnel, ensuring alignment with the Company's ESG objectives and regulatory expectations.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the policies are reviewed annually and on a needs basis. The Company complies with the regulations, extant, and principles as applicable.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances																		

11.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The company's Environmental (ISO 14001), Quality (ISO 9001), and Occupational Health & Safety (ISO 45001) policies are independently audited by accredited global certifiers. Please find the certifications here: https://www.sanathan.com/our-setup/certifications								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	All principles covered under policies								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	All principles covered under policies								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	All principles covered under policies								
It is planned to be done in the next financial year (Yes/No)	All principles covered under policies								
Any other reason (please specify)	All principles covered under policies								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Essential Indicators

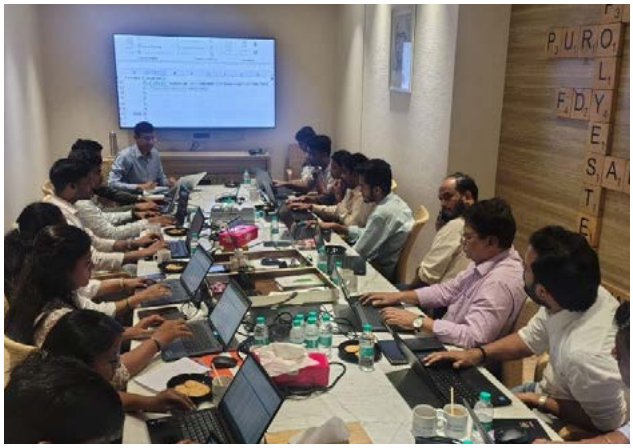
01 Principle

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentages of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	5	The Board is regularly apprised of industry developments, emerging trends, and external factors and indicators that may have a direct or indirect impact on the Company's business, including updates on regulatory changes, ESG developments, and evolving risk landscapes. These initiatives enhanced the Board's ability to provide strategic guidance and oversight on ESG matters, strengthened governance practices, ensured informed decision-making, and reinforced alignment with statutory and stakeholder expectations.	100%
Key Managerial Personnel (KMPs)	5	Key Managerial Personnel regularly undergo training on evolving regulatory frameworks, financial and governance standards, ESG and sustainability reporting, and stakeholder engagement, strengthening compliance, oversight, and decision-making.	100%
Employees other than BoD and KMPs	40	Employees (other than the Board of Directors and Key Managerial Personnel) are provided with training on safety and security, advanced data and analytics tools such as MS Excel, performance management through KRA and PMS frameworks, organizational development, company values, digital data protection, and IT awareness, thereby enhancing operational efficiency, data security, and alignment with organizational objectives.	100%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentages of persons in respective category covered by the awareness programmes
Other than Permanent Workers	35	Workers are provided with training on safety and security, discipline and workplace behavior, and production processes, thereby promoting a safe work environment, operational efficiency, and adherence to established standards and practices.	100%





2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year:

a. Monetary

	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

b. Non-monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has institutionalized a comprehensive Anti-Corruption and Anti-Bribery Policy, serving as a cornerstone of its corporate governance and ethical conduct framework. This policy formalizes a zero-tolerance mandate against all forms of bribery, corruption, and facilitation payments, ensuring that business is conducted with the highest levels of integrity. The scope of the policy extends to all employees, directors, and business associates, providing clear directives on conflicts of interest, the exchange of gifts and hospitality, and ethical third-party engagements.

To ensure effective implementation, the Company maintains a robust Vigil/Whistle-blower Mechanism, providing a secure and confidential channel for stakeholders to report suspected ethical breaches without fear of retaliation. This framework is overseen by the Audit Committee, reinforcing accountability at the highest level. Detailed information regarding the Vigil Mechanism and its operational protocols is transparently disclosed and accessible through the Company's investor relations portal at: https://www.sanathan.com/investor-relations

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2025- 2026 Current Financial Year	FY 2024-2025 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2025-2026 Current Financial Year		FY 2024- 2025 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods procured:

	FY 2025- 2026 Current Financial Year	FY 2024-2025 Previous Financial Year
Number of days of accounts payables	83	63

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics	FY 2025-2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	20%	18%
	b. Number of trading houses where purchases are made from	53	44
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	92%	96%
Concentration of Sales*	a. Sales to dealers / distributors as % of total sales	51%	56%
	b. Number of dealers / distributors to whom sales are made	267	239
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributor	43%	41%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	-	-

02 Principle

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	₹ 73 Crores	₹ 6.89 Crores	Details mentioned below

During FY 2025-26, the Company invested ₹73.00 crores in technologies and infrastructure designed to improve the environmental performance of its manufacturing operations, as against ₹6.89 crores in FY 2024-25. The substantial step-up reflects the commissioning of the Punjab facility, where environmental systems were built into the plant design at the outset rather than retrofitted, and continued efficiency upgrades at the Silvassa facility.

The Capex investments fall broadly into four areas.

Energy efficiency and equipment optimisation.

At Silvassa, two centrifugal turbo compressors replaced a fleet of smaller, power-intensive screw compressors used for instrument air, suction gun air and nitrogen generation, delivering a significant reduction in energy requirement. Cooling water pumps were replaced with energy-efficient equivalents, reducing consumption from 5,340 units per day to 4,282 units per day. An automatic online condenser tube cleaning system was installed

across all four centrifugal water chillers, maintaining consistent condenser efficiency while eliminating manual cleaning and the associated water wastage.

Waste heat recovery.

At Punjab, vapour absorption machines have been deployed to recover and reuse process heat that would otherwise be lost. The heat in the Process-generated vapour is captured to utilize the heat for producing chilled water through Vapor absorption machines, functioning simultaneously as an environmental control and an energy recovery measure. Separately, flue gas from the husk-fired HTM heaters is routed to generate hot water instead of being discharged directly to atmosphere, reducing thermal pollution while improving overall plant energy efficiency.

Water stewardship and Zero Liquid Discharge.

Water-related investment forms the largest share of the year's spend. A Effluent Treatment Plant treats all plant effluent, with treated water reused within the Punjab facility and no wastewater discharged outside the plant boundary. Blowdown from the water treatment and cooling water systems is recovered through Reverse Osmosis and reject of Reverse Osmosis plant is taken into Mechanical Vapour Recompression Evaporator systems, enabling recovery and reuse of water and reducing freshwater intake. A demineralisation plant based on Electrodeionisation technology eliminates the chemical regeneration step required by conventional ion exchange, thereby removing chemical consumption from the demineralisation process and significantly reducing wastewater generation, chemical handling and effluent load. Together these systems support the Company's Zero Liquid Discharge commitment at Punjab.

At Silvassa, the Daman Ganga river water project comprising a dedicated water treatment plant, pump house and pipeline infrastructure enables the facility to source process water from the river, reducing reliance on groundwater and supporting local water-table recovery.

Fuel transition and air emissions.

Biomass-fired process heaters use rice husk as the primary fuel in place of conventional fossil fuels. Rice husk is a renewable fuel with lower net carbon emissions. The heaters are fitted with an Electrostatic Precipitator to control particulate matter in the boiler flue gas, significantly reducing dust emissions and supporting compliance with applicable air quality standards.

Taken together, these investments reduce the Company's energy intensity, freshwater dependence, effluent discharge and air emissions, and are aligned with the Company's stated environmental commitments under Principles 2 and 6.

The environment-related assets pertaining to the Punjab facility were procured as part of the commissioning of the facility. In accordance with Ind AS 16 — Property, Plant and Equipment, these assets were carried as capital work-in-progress during the period of construction and installation, and were capitalised in FY 2025-26 upon the date on which they were ready for their intended use. The amounts disclosed for FY 2025-26 accordingly represent the year of capitalisation and not necessarily the year in which procurement was initiated.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. The Company has institutionalized formal procedures for sustainable sourcing, integrating environmental and social criteria into its procurement and supply chain management framework. These protocols prioritize traceability, quality, and strict adherence to statutory standards across the supplier base. A key facet of this strategy is the advancement of circular economy principles, exemplified by the procurement of rice husks and other renewable inputs to minimize the environmental footprint. Through structured due diligence, the Company ensures that all suppliers operate in full compliance with ethical mandates and applicable laws, fostering a responsible, transparent, and resilient value chain.

b. If yes, what percentage of inputs were sourced sustainably?

Considering the nature of raw materials sourced, a specific percentage of inputs sourced sustainably cannot be quantified. However, the Company ensures procurement is aligned with sustainability principles, including sourcing from compliant suppliers and increasing the use of raw materials in line with circular economy initiatives.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

The Company has implemented structured processes for the safe handling, reclamation, recycling, and disposal of various categories of waste generated across its operations, in line with applicable environmental regulations and sustainability principles.

(a) Plastics (including packaging):

The Company promotes responsible use and recycling of plastic materials, including packaging waste. Segregation at source is implemented, and recyclable plastic waste

is disposed of through authorized recyclers. Wherever feasible, the Company encourages the use of recyclable and reusable packaging materials and complies with applicable Extended Producer Responsibility (EPR) requirements. Further, to reduce plastic usage, the Company has partnered with a service provider offering pallet-based solutions, wherein yarn is dispatched on reusable pallets that are returned and reused, thereby minimizing dependence on plastic packaging.

(b) E-waste:

E-waste generated from IT and electronic equipment is managed through certified e-waste recyclers in compliance with the E-Waste (Management) Rules. The Company ensures safe collection, storage, and disposal, with proper documentation and traceability to prevent environmental or data security risks.

(c) Hazardous waste:

Hazardous waste is handled strictly in accordance with the Hazardous and Other Wastes (Management and Transboundary Movement) Rules. The Company follows prescribed protocols for identification, segregation, storage, transportation, and disposal through Authorized Treatment, Storage, and Disposal Facilities (TSDFs), ensuring minimal environmental impact.

(d) Other waste:

Other waste streams, including non-hazardous industrial waste and general waste, are managed through segregation, reuse, and recycling practices. The Company emphasizes waste minimization at source and partners with authorized agencies responsible for disposal. Initiatives such as process optimization and circular economy practices further support reduction in overall waste generation.

Through these measures, the Company aims to ensure environmentally responsible waste management while promoting resource efficiency and sustainability across its operations.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

Yes. The entity's waste collection and processing activities are fully aligned with the EPR plan submitted to the Central Pollution Control Board (CPCB). Sanathan Textiles maintains active compliance as a registered Brand Owner. For the 2024-25 reporting period, the entity successfully fulfilled its statutory obligations by meeting all plastic waste management targets.

- **Recycling Plastic (Category 2):** Met the target of 62 Tons.
- **End of Life Plastic (Category 2):** Met the target of 144 Tons.

To ensure ongoing compliance and environmental accountability, the entity had established and submitted the following targets for the 2025-26 financial year:

- **Recycling Target (Category 2):** 140 Tons
- **End-of-Life Processing Target (Category 2):** 224 Tons

The entity remains committed to scaling its waste management infrastructure in tandem with these increased regulatory benchmarks.

03 Principle

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	1,789	1,789	100%	1789	100%	0	0	0	0%	0	0%
Female	54	54	100%	54	100%	54	100%	0	0%	54	100%
Total	**1,843**	**1,843**	**100%**	**1,843**	**100%**	**54**	**100%**	**0**	**0%**	**54**	**100%**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Other than Permanent workers											
Male	5,716	0	0%	5,716	100%	0	0%	0	0%	0	0%
Female	337	0	0%	337	100%	0	0%	0	0%	0	0%
Total	**6,053**	**0**	**0%**	**6,053**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the company	0.03%	0.01%

2. Details of retirement benefits.

Benefits	FY 2025- 2026 Current Financial Year			FY 2024- 2025 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	89%	100%	Yes	88%	100%	Yes
Gratuity	43%	18%	Yes	39%	20%	Yes
ESI	3%	85%	Yes	1%	0%	Yes
Other	0	0	N.A	0	0%	0

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Sanathan Textiles ensures that its facilities are progressively aligned with accessibility standards. The Corporate Head Office in Mumbai is fully accessible and equipped with the necessary infrastructure to accommodate differently abled individuals, in compliance with the Rights of Persons with Disabilities Act, 2016. However, due to the high-risk nature of textile manufacturing and the specific physical demands of operating heavy machinery, the factory premises are currently not fully accessible. While employment at production sites is contingent upon medical examinations tailored to these operational safety requirements, the Company continues to evaluate infrastructure enhancements to improve inclusivity where operationally feasible.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

While the Company maintains a commitment to providing equal opportunity to all individuals, including those with disabilities, it has not yet formalized these principles into a standalone written policy. Sanathan ensures an inclusive environment through its established recruitment and operational practices, adhering to the spirit of equitable treatment for all personnel.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Benefits	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	NA	NA
Total	**100%**	**100%**	**NA**	**NA**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes, Sanathan Textiles has established a formal mechanism to address and resolve worker grievances. Under the company's Grievance Redressal Policy, employees and workers are provided with a structured platform to raise and settle any concerns related to their employment or working conditions. Sanathan Textiles employs a tiered redressal structure where general grievances are managed by Departmental Heads and the Plant Head, while critical or ethical concerns are escalated to the Audit Committee with a provision for direct access to its Chairman to ensure independent oversight. The mechanism ensures strict confidentiality and protection against victimization.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2025-2026 Current Financial Year			FY 2024-2025 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	There are no membership of employees and worker in association or unions recognized.					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8. Details of training given to employees and workers:

	FY 2025-2026 Current Financial Year					FY 2024-2025 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	1,789	1,789	100%	1,789	100%	1,474	1,474	100%	1,474	100%
Female	54	54	100%	54	100%	46	46	100%	46	100%
Total	**1,843**	**1,843**	**100%**	**1,843**	**100%**	**1,520**	**1,520**	**100%**	**1,520**	**100%**
Permanent Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

9. Details of performance and career development reviews of employees and worker

Category	FY 2025-2026 Current Financial Year			FY 2024-2025 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Permanent Employees						
Male	1,789	1,789	100%	1,474	1,474	100%
Female	54	54	100%	46	46	100%
Total	**1,843**	**1,843**	**100%**	**1,520**	**1,520**	**100%**
Permanent Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

The Company has implemented a comprehensive Occupational Health and Safety Management System aligned with statutory requirements and industry best practices. The system covers 100% of employees and workers, contractors and service providers including all operational areas, utilities, warehouses, and administrative functions.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

To maintain a high standard of workplace safety and operational excellence, Sanathan Textiles operates under an integrated management system aligned with ISO 9001 and ISO 45001:2018 standards. To ensure continuous improvement and emergency readiness, the system incorporates Root Cause Analysis (RCA) for incident reporting, regular mock drills, and active employee feedback via safety committees. Finally, the health of the workforce is prioritized through a rigorous medical surveillance program, including pre-employment screenings and routine follow-up checkups.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

The Company fosters a proactive safety culture by empowering workers to identify and report hazards through formalized near-miss and hazard reporting systems, direct communication with supervisors, and dedicated safety suggestion schemes. This safety-first environment is reinforced by a clear Stop Work Authority, which allows employees to remove themselves from unsafe situations without fear of retaliation, ensuring that immediate corrective actions are triggered through the management system. Safety awareness is maintained daily through routine morning toolbox talks and the consistent provision of necessary Personal Protective Equipment. Furthermore, worker engagement is solidified through a multi-channeled feedback loop that includes physical suggestion boxes, regular safety meetings, and quarterly reviews conducted by the HR-led Works Committee to ensure all concerns are addressed at a systemic level.

d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services?**

The organization maintains a high standard of medical preparedness through a full-fledged on-site occupational health center staffed by qualified medical personnel, providing both routine OPD services and weekly visits from specialist doctors. Immediate emergency response is supported by a network of first aid facilities distributed across the plant, a dedicated on-site ambulance, and established tie-ups with referral hospitals in the region for specialized treatment. To ensure long-term workforce wellbeing, the facility conducts periodic health check-ups and implements comprehensive health awareness programs and wellness initiatives. This robust infrastructure ensures that employees have continuous access to both preventive care and rapid emergency medical intervention.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-2026 Current Financial Year	FY 2024-2025 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Sanathan Textiles ensures a safe and healthy workplace through an ISO 45001:2018 aligned management system that covers 100% of its workforce. Operational safety is supported by comprehensive training programs on machinery handling and hazardous substances, alongside the mandatory provision and training for Personal Protective Equipment (PPE) such as helmets, safety shoes, and ear protection. To maintain a vigilant safety culture, the Company utilizes extensive visual safety aids, monthly leadership safety walks, and a robust medical infrastructure featuring an on-site Occupational Health Center and 24/7 ambulance services. This holistic approach ensures regulatory compliance while prioritizing the immediate safety and long-term health of all personnel.

13. Number of complaints on the following made by employees and workers

Type	FY 2025-2026 Current Financial Year			FY 2024-2025 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

All plants and offices were assessed through a combination of internal audits, statutory inspections, and periodic management reviews, ensuring full compliance with applicable health, safety, and workplace standards.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has implemented a structured corrective and preventive action framework to address safety-related risks and incidents identified through health and safety assessments.

04 Principle

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company is dedicated to prioritizing stakeholder needs and concerns to ensure sustainable value creation across its entire operational footprint. The organization identifies and engages with both internal and external stakeholders, including employees, shareholders and investors, government regulators, local communities, customers, and suppliers. To ensure a comprehensive understanding of those with a vested interest in or affected by its activities, engagement is facilitated through transparent communication through multiple channels.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders & Investors	No	Email, Newspaper and Media, Company website, Stock Exchange Filings, AGM/EGM, Investor Calls	Quarterly	**Purpose and Scope of Engagement:** To ensure transparent, timely, and accurate dissemination of financial and strategic information, enable informed decision-making, and provide a platform for investor queries and feedback. **Key Topics / Concerns Raised:** Financial performance and profitability Capacity expansion and capital allocation Dividend policy and returns ESG initiatives and sustainability performance Corporate governance and regulatory compliance Market outlook and growth strategy
Customers	No	Email, Direct Interactions, Website, Product Catalogues, Trade Exhibitions	On Need basis	**Purpose and Scope of Engagement:** To understand customer requirements, long-term market trends, and communicating company values. Ensure product quality and consistency, provide technical support, and build long-term relationships. **Key Topics / Concerns Raised:** Product quality and consistency Pricing and delivery timelines Product innovation and customization Sustainability of products (e.g., recycled yarns) After-sales support and service

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, Notice Board, Intranet, Townhalls, Training Programmes, direct communication with peers and leadership	On Need Basis	**Purpose and Scope of Engagement:** To ensure effective communication of policies, align employees with organizational goals, enhance skills, and promote a safe and inclusive work environment. **Key Topics / Concerns Raised:** Health, safety, and workplace conditions Training and career development Compensation and benefits Work culture and employee engagement Organizational updates and performance
Communities	Yes	Community Meetings, CSR Activities, Awareness Campaigns	On Need Basis	**Purpose and Scope of Engagement:** To build positive relationships with local communities, address social and environmental impacts, and contribute to community development. **Key Topics / Concerns Raised:** Employment opportunities and local development Environmental impact of operations Health and safety of surrounding areas CSR initiatives (education, healthcare, livelihood) Infrastructure and community support
Value Chain Partners	No	Email, Meetings, Contracts, Audits, Industry Platforms	On Need Basis	**Purpose and Scope of Engagement:** To ensure reliable sourcing, maintain quality standards, promote ethical practices, and build resilient and sustainable supply chains. **Key Topics / Concerns Raised:** Quality standards and specifications Pricing and payment terms Timely delivery and logistics Compliance with ESG and regulatory requirements Long-term partnerships and business continuity

05 Principle

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2025-2026			FY 2024-2025		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
			Employees			
Permanent	1,843	1,843	100%	1,520	1,520	100%
Other than permanent	0	0	0%	0	0	0%
Total employees	**1,843**	**1,843**	**100%**	**1,520**	**1,520**	**100%**

Category	FY 2025-2026			FY 2024-2025		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
			Workers			
Permanent	0	0	0%	0	0	0%
Other than permanent	6,053	5,716	94%	3,003	3,003	100%
Total workers	**6,053**	**5,716**	**94%**	**3,003**	**3,003**	**100%**

2. Details of minimum wages paid to employees and workers:

Category	FY 2025-2026 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)*	% (E/D)	No. (F)	% (F/D)
					Employees					
Permanent										
Male	1,789	729	41%	1,059	59%	1,474	639	43%	835	57%
Female	54	14	26%	40	76%	46	13	28%	33	72%
Other than Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
					Workers					
Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	5,716	5,716	94%	0	0%	2,691	2,691	90%	0	0%
Female	337	337	6%	0	0%	312	312	10%	0	0%

3. Details of remuneration/salary/wages:

a. Median remuneration / wages:

	Gender	Total Number	Median remuneration/salary/wages of respective category (₹ in Crores)
Board of Directors (BoD)	Male	4	4 Crores
	Female	0	-
Key Managerial Personnel	Male	2	0.37 Crores
	Female	0	-
Employees other than BoD and KMP	Male	1,783	0.04 Crores
	Female	54	0.04 Crores
Workers	Male	-	-
	Female	-	-

Notes:

1. Remuneration to Directors comprises remuneration paid to Executive Directors only.
2. The category "Employees other than BoD and KMP" includes permanent employees on the rolls of the Company .Workers, being persons engaged as defined under the applicable labour codes, have been disclosed separately. Median remuneration for male and female employees other than BoD and KMP is identical at ₹0.04 crores, reflecting the Company's remuneration framework, which is based on role, skill, qualification and experience and is applied without reference to gender.
3. The figures disclosed above are consistent with the disclosures made under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of the Board's Report.

b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2025-26 Current financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	6.02%	6.03%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Board of Directors, supported by the Risk Management and Sustainability Committee, oversees human rights-related matters as part of the Company's ESG framework. At the operational level, functions such as Human Resources and the POSH Committee act as focal points for addressing specific concerns, supported by a whistle-blower mechanism for reporting issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has institutionalized formal mechanisms to address human rights grievances through its Human Resources function, POSH Committee, and Vigil/Whistle-blower framework. These channels ensure secure reporting of concerns regarding discrimination, harassment, or unethical conduct, with strict protocols for confidentiality and non-retaliation. To ensure inclusive access, multilingual grievance boxes are available across corporate and manufacturing locations in Mumbai, Silvassa, and Punjab, allowing for direct or representative submissions. All complaints undergo prompt, transparent investigation, with corrective actions implemented in strict accordance with internal policies and statutory laws.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

	FY 2025- 2026 Current financial Year	FY 2024-2025 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	NA	NA
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has institutionalized robust safeguards to protect complainants and witnesses in discrimination and harassment cases from any form of retaliation or victimization. These protections are operationalized through confidential reporting channels, including the POSH Committee and the Vigil/Whistle-blower framework, which strictly adhere to anonymity and data privacy protocols. Guided by a zero-tolerance mandate toward retaliation, the Company subjects any act of discrimination against a complainant to stringent disciplinary action. Furthermore, the investigation framework is designed to be unbiased and sensitive, ensuring the safety, dignity, and procedural fairness for all parties involved in accordance with statutory requirements.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Human rights requirements are embedded in the Company's business agreements and contracts, including clauses relating to compliance with applicable labour laws, prohibition of child and forced labour, non-discrimination, and adherence to ethical business practices.

10. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Nil

06 Principle

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	Unit of measurement	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
From renewable sources			
Total electricity consumption (A)	GJ	8,931	10,099
Total fuel consumption (B)	GJ	2,42,731	-
Energy consumption through other sources (C)	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	GJ	**2,51,662**	**10,099**
From non-renewable sources			
Total electricity consumption (D)	GJ	15,49,390	12,14,638
Total fuel consumption (E)	GJ	6,79,701	5,63,139
Energy consumption through other sources (F)	GJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	GJ	**22,29,092**	**17,77,777**
Total energy consumed (A+B+C+D+E+F)	GJ	**24,80,754**	**17,87,876**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	GJ/Rupee turnover in Crores	650	596

Parameter	Unit of measurement	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	GJ/Million USD Turnover	1,307.04	1,197.24
Energy intensity in terms of physical output Specific Power Consumption	GJ/tonnes	5.03	5.20
Energy intensity (optional) – the relevant metric may be selected by the entity	-		

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

Yes, Sanathan Textiles is a registered Designated Consumer (DC) under Performance, Achieve and Trade (PAT). To meet these regulatory requirements, the Company is increasingly investing in energy-efficient technologies and transitioning to renewable power sources. These strategic measures ensure that Sanathan Textiles consistently reduces its emission of intensity while upholding its commitment to national energy conservation standards.

3. Provide details of the following disclosures related to water:

Parameter	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
Water withdrawal by source (in kilolitres)		
4(i) Surface water	1,05,331	0
(ii) Groundwater	2,75,682	2,80,605
(iii) Third party water (Municipal water supplies)	-	-
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater storage)	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**3,81,013**	**2,80,605**
Total volume of water consumption (in kiloliters) *	**3,81,013**	**2,80,605**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) in crores	99.97	93.58
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) kiloliteres/Million USD	200.74	187.91
Water intensity in terms of physical output	0.77	0.82
Water intensity (optional) – the relevant metric may be selected by the entity		

4. Provide the following details related to water discharged:

Parameter	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
Water discharge by destination and level of treatment (in kilo liters)		
(i) To Surface water	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties	Nil	Nil
- No treatment		

Parameter	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
- With treatment – please specify level of treatment (send to CETP after treatment)		
(v) Others	Nil	Nil
- No treatment		
- With treatment – Tertiary treatment		
Total water discharged (in kilo liters)	**Nil**	**Nil**

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The Silvassa units and Punjab unit operate as a Zero Liquid Discharge mechanism site with 100% implementation. The wastewater goes through Primary, Secondary, Tertiary, Reverse Osmosis and MEE at Silvassa unit and MVRE at Punjab unit which make it fit for reuse in the process. Water recovered is reutilized in production and waste components are sent to MEE/ MVRE and discarded as sludge to registered entities.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
NOx	Kg	10,471.81	5,078.62
SOx	Kg	4,430.91	2,068.01
Particulate matter (PM2.5)	Kg	19,036.52	5,202.63
Particulate matter (PM10)	Kg	-	-
Persistent organic pollutants (POP)	Kg	-	-
Volatile organic compounds (VOC)	Kg	-	-
Hazardous air pollutants (HAP)	Kg	-	-

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	39,164	30,296
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	3,05,574	2,39,553
Total Scope 1 and Scope 2 emissions	Metric tons of CO equivalent	3,44,738	2,69,849
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tons of CO2 equivalent/ turnover in crores	90.45	89.99
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tons of CO2 equivalent/ turnover in USD	181.63	180.70
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tons of CO2 equivalent/ tonne	0.70	0.79
This Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Sanathan Textiles has implemented a multi-faceted GHG emission reduction strategy centered on transitioning to low-carbon energy sources across its operations. At its Silvassa manufacturing hub, the company has successfully commissioned 2.35 MW of rooftop solar capacity, directly offset grid-based emissions and reducing the carbon footprint of its operations. Furthermore, to power its new facility at Punjab, the company (via its subsidiary Sanathan Polycot Private Limited) has committed to a 32 MW Hybrid Solar-Wind project for procuring Round-The-Clock power. These renewable energy projects are complemented using rice husk biomass for thermal requirements and Zero Liquid Discharge (ZLD) systems, collectively driving the entity toward its long-term decarbonization goals and improving energy intensity metrics.

9. Provide details related to waste management by the entity:

Parameter	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
Total Waste generated (in metric tons)		
Plastic waste **(A)**	16.82	7.73
E- waste **(B)**	3.5	4.1
Bio-medical waste **(C)**	10.8	13.71
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	Under buy back	Under buy back
Radioactive waste **(F)**	-	-
Other Hazardous waste -excluding e-waste and biomedical waste **(G)**	165.61	162.45
Other Non-hazardous waste generated **(H)** - excluding plastic waste	1.93	0.98
Total (A+B + C + D + E + F + G + H)	**198.66**	**188.97**
Waste intensity per rupee of Turnover (Total waste generated / Revenue from operations) in crores	52.13	63.03
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) kg/Million USD	104.7	126.6
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	10.220	20.560
(ii) Re-used		
(iii) Other recovery operations		
Total	**10.220**	**20.560**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	0.090	0.500
(ii) Landfilling	155.30	141.39
(iii) Landfilling after incineration		
Total	**155.39**	**141.89**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Sanathan Textiles has implemented a systematic waste management framework integrated into its manufacturing ecosystem. The establishment's practices are focused on waste segregation at the source and the maximum recovery of resources to minimize environmental impact. All various categories of waste generated, including hazardous, non-hazardous, and electronic waste, are strictly segregated. To ensure full regulatory compliance and environmental safety, all categories of waste are sold or handed over to authorized entities for recycling, co-processing, or safe disposal.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Sanathan Textiles' manufacturing facilities in Silvassa and Punjab are both situated within government-designated industrial zones and are not located within any Eco-Sensitive Zones (ESZ).			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N):

The Company maintains comprehensive compliance with the prevailing Indian environmental regulatory framework, adhering to the provisions of the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977, the Air (Prevention and Control of Pollution) Act, 1981, the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules and the E-Waste (Management) Rules. Operational integrity is ensured through the valid maintenance of all requisite Consents to Operate (CTO) and the rigorous monitoring of emissions and effluent discharge against prescribed statutory standards.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

07 Principle

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with and industry chambers/ associations: 7

b. List the trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Polyester Textile Apparel Industry	National
2	Bombay Chamber of Commerce and Industry	National
3	The Cotton Textiles Export Promotion Council	National
4	The Synthetic & Rayon Textiles Export Promotion Council	National
5	Federation of Indian Export Organizations	National
6	Confederation of Indian Industry	National
7	Silvassa Industries Association	State/UT

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Nil

08 Principle

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has institutionalized a formal grievance redressal mechanism to identify and mitigate community-related concerns across its manufacturing locations. This framework is operationalized through a multi-channel intake system, including dedicated CSR teams, site-level administrative desks, and institutionalized stakeholder outreach programs. All grievances are systematically logged and subjected to a structured review process to ensure time-bound resolution and the implementation of measurable corrective actions. In alignment with transparency and accountability standards, the Company maintains proactive engagement with local stakeholders to pre-emptively address social and environmental risks, ensuring a responsive and inclusive community relations interface.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
Directly sourced from MSMEs/small producers	4%	3%
Directly from within India	67%	71%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2025- 2026 Current Financial Year	FY 2024- 2025 Previous Financial Year
Rural	88%	79%
Semi-urban	0	0
Urban	0	0
Metropolitan	12%	21%

09 Principle

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has institutionalized a multi-channel framework to systematically receive and resolve consumer complaints and feedback. Technical grievances regarding yarn quality and B2B specifications are managed by the Product Innovation and Development team, with customers able to engage directly through account managers or a dedicated technical resolution portal (nk@sanathan.com). General inquiries and feedback are funneled through the corporate interface (info@sanathan.com) and the official website's stakeholder engagement section. All submissions are subjected to a structured review process to ensure time-bound resolution and the implementation of corrective actions, driving continuous improvement in product quality and customer satisfaction.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	Reasons for Recall
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and / or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Particulars	FY 2025- 2026 (Current Financial Year)		Remarks	FY 2024- 2025 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-

Particulars	FY 2025- 2026 (Current Financial Year)		Remarks	FY 2024- 2025 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Delivery of essential Services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company has an established framework on cyber security and data privacy, supported by an Information Security Policy aligned with ISO 27001 standards, which is subject to periodic review under Board oversight. The framework includes implementation of advanced security controls, regular audits, vulnerability assessments, and employee awareness programmes to mitigate cyber risks and protect data privacy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

c. Impact, if any, of the data breaches

Nil

Independent Auditor's Report

To
The Members of
Sanathan Textiles Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Sanathan Textiles Limited (the 'Company'), which comprise the Standalone Balance Sheet as at March 31, 2026 the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of inventories Refer note 2.4(xii) to the accompanying standalone financial statements for the material accounting policy information on inventories and note 10 to the accompanying standalone financial statements for details of carrying value of inventories as at March 31, 2026. At the balance sheet date March 31, 2026 the Company held inventories comprising of raw materials, finished goods, work-in-progress, intermediate products and stores and packing materials aggregating to ₹ 558.17 Crores which represents 17.79% of the total assets of the Company. Determination of cost of inventories for finished goods, intermediate products and work-in-progress involves determination of cost of direct raw materials, labour, allocation of variable overheads based on the actual use of production facilities and apportionable fixed overhead expenditure based on the normal operating capacity.	**Our audit procedures related to valuation of inventories included, but were not limited, to the following:** • Assessed the appropriateness of the Company's accounting policy and valuation method of inventories in accordance with Ind AS 2. • Evaluated the design and tested the operating effectiveness of key controls, including automated controls with the help of auditor's experts around purchase of inventories, valuation of inventories, computation of overheads. • Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation and corroborated the same to our understanding of the business.

Key audit matter	How our audit addressed the key audit matter
The valuation process which includes overhead allocation as above involves management judgements and estimation around inputs used for overhead allocation based on various criteria, cost drivers, product mix, and allocation of expenses through various stages of production. Considering the above-mentioned complexities, materiality of amounts and management judgements involved, valuation of inventories has been considered to be a key audit matter for the current year audit.	• Understood and assessed the management process of determining overhead absorption rates applied by verifying the appropriateness of underlying variables used such as cost data, normal production capacity, actual production data, bill of materials and stage of production. • Verified the expenses considered as cost of conversion including estimates for apportionment of such conversion cost to finished goods, intermediate products and work-in-progress, and ensured arithmetical accuracy of such workings. • Performed substantive testing for samples of raw material purchase transactions recorded during the year, and purchase transactions recorded before and after year end, to ensure such purchases are booked accurately and in the correct period, by verifying the underlying documents for such selected samples, which included contracts, purchase orders, invoices, shipping documents such as lorry receipts, etc. • Performed analytical procedures on current year cost of goods sold based on gross profit margin analysis, and where appropriate, conducted further enquiries and testing. • Evaluated the appropriateness and adequacy of the disclosures made in the accompanying standalone financial statements in accordance with the applicable accounting standards.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the 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, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant

to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. 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 Standards on Auditing 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.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

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

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

    - Conclude on the appropriateness of Board of Directors' 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; and

    - 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.

12. 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 controls that we identify during our audit.

13. 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.

14. 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

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) Except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and 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) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on March 31, 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

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

        i. The Company, as detailed in note 38(i) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2026;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2026;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026;

        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47A to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities (the '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 (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47B to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (the '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; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended March 31, 2026; and

vi. As stated in Note 46 to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on April 1, 2025, has used an accounting software operated by a third-party software service provider for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. In absence of an 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions or whether there were any instances of audit trail feature being tampered with at the database level. The audit trail has been preserved at the application level by the Company as per the statutory requirements for record retention. Further, due to absence of the Type 2 report, we are unable to comment on preservation of audit trail at the database level.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 26058644BFYCYG5606

Place: Mumbai
Date: May 15, 2026

Annexure I

referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Sanathan Textiles Limited on the standalone financial statements for the year ended March 31, 2026

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3A to the standalone financial statements, are held in the name of the Company.

(d) The Company has adopted cost model for its property, plant and equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipts.

(b) As disclosed in Note 16A to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 Crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were subject to audit / review, except for the following:

(₹ in Crores)

Name of the Bank	Working capital limit sanctioned	Nature of current assets offered as security	Quarter ended	Information disclosed as per statement	Information as per books of accounts	Difference
Union Bank of India	24.00	Trade receivables, inventories and other current assets	June 30, 2025	639.61	746.95#	(107.34)
Bank of Baroda	126.00					
IndusInd Bank	10.00					
Standard Chartered Bank	60.40					
Union Bank of India	24.00	Trade receivables, inventories and other current assets	September 30, 2025	645.06	728.69#	(83.63)
Bank of Baroda	126.00					
IndusInd Bank	10.00					
Standard Chartered Bank	60.40					
Union Bank of India	24.00	Trade receivables, inventories and other current assets	December 31, 2025	657.96	795.85#	(137.89)
Bank of Baroda	126.00					
IndusInd Bank	10.00					
Standard Chartered Bank	60.40					

(₹ in Crores)

Name of the Bank	Working capital limit sanctioned	Nature of current assets offered as security	Quarter ended	Information disclosed as per statement	Information as per books of accounts	Difference
Union Bank of India	24.00	Trade receivables, inventories and other current assets	March 31, 2026	831.38	983.52*	(152.14)
Bank of Baroda	126.00					
IndusInd Bank	10.00					
Standard Chartered Bank	60.40					

*per books of account which were subject to audit

#per books of account which were subject to review

(iii) The Company has not provided any security or granted any advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in, provided guarantee and granted unsecured loans to companies during the year, in respect of which:

(a) The Company has provided loans and guarantee to subsidiaries during the year as per details given below:

(₹ in Crores)

Particulars	Guarantees	Loans
Aggregate amount provided/granted during the year:		
- Subsidiaries	191.97	442.83
Balance outstanding as at balance sheet date:		
- Subsidiaries	1,163.18	181.38

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such companies.

(e) The Company has granted loans which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loans which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(₹ in Crores)

Name of the statute	Nature of dues	Gross amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income-tax Act, 1961	Income-tax	0.72	0.11	Financial year ('FY') 2013-14	Commissioner of Income-tax (Appeals)	-
The Income-tax Act, 1961	Income-tax	0.76	-	FY 2014-15	Commissioner of Income-tax (Appeals)	-
The Central Excise Act, 1944	Central value added tax ('CENVAT')	0.14	-	FY 2005-06 to FY 2010-11	Additional Commissioner, Central Excise, Custom & Service Tax, Vapi, Gujarat	-
The Central Excise Act, 1944	CENVAT	0.08	-	FY 2005-06 to FY 2011-12	Assistant Commissioner, Central Excise, Custom & Service Tax, Division III, Silvassa, Dadra and Nagar Haveli	-
The Central Excise Act, 1944	CENVAT	4.56	-	FY 2008-09 to FY 2010-11	Hon'ble High Court, Mumbai	-
The Central Excise Act, 1944	CENVAT	0.30	-	FY 2011-12 to FY 2013-14	Deputy Commissioner, Central Excise, Custom & Service Tax, Division III, Silvassa, Dadra and Nagar Haveli	-
The Central Excise Act, 1944	CENVAT	*	-	FY 2015-16	Superintendent, Central Excise, Custom & Service Tax, Silvassa, Dadra and Nagar Haveli	-
Dadar and Nagar Haveli Value Added Tax Regulations, 2005 and Central Sales Tax, Act 1956	Sales tax	0.22	-	FY 2016-17	Deputy commissioner (VAT), Dadra and Nagar Haveli, Silvassa	-
The Central Goods and Services Tax Act, 2017	Integrated Goods and Service Tax	10.19	10.19	FY 2017-18 to FY 2020-21	Commissioner, Central Goods and Services Tax and Central Excise, Daman Commissionerate	-

*Rounded off to Nil

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of account.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short-term basis have, prima facie, not been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, 'Related Party Disclosures' specified in Companies (Indian Accounting Standards) Rules, 2015 as prescribed under section 133 of the Act.

(xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

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

(xx) (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 26058644BFYCYG5606

Place: Mumbai
Date: May 15, 2026

Annexure II

to the Independent Auditor's Report of even date to the members of Sanathan Textiles Limited on the standalone financial statements as at and for the year ended March 31, 2026

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Sanathan Textiles Limited (the 'Company') as at and for the year ended March 31, 2026 we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2026 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 26058644BFYCYG5606

Place: Mumbai
Date: May 15, 2026

Standalone Balance Sheet

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
a) Property, plant and equipment	3A	793.38	828.29
b) Capital work-in-progress	3B	63.58	11.20
c) Right-of-use assets	3C	12.22	-
d) Intangible assets	4	0.75	1.49
e) Financial assets			
i) Investments in subsidiaries	5	1,079.61	909.97
ii) Loans	6	181.38	0.03
iii) Other financial assets	7	4.75	2.78
f) Income-tax assets (net)	8	-	5.02
g) Other non-current assets	9	20.18	19.78
Total non-current assets		**2,155.85**	**1,778.56**
Current assets			
a) Inventories	10	558.17	357.90
b) Financial assets			
i) Trade receivables	11	154.21	148.11
ii) Cash and cash equivalents	12	2.07	10.10
iii) Bank balances other than cash and cash equivalents	13	86.60	48.74
iv) Other financial assets	7	4.70	1.42
c) Other current assets	9	176.74	108.88
Total current assets		**982.49**	**675.15**
Total assets		**3,138.34**	**2,453.71**
Equity and liabilities			
Equity			
a) Equity share capital	14	84.40	84.40
b) Other equity	15	1,946.10	1,748.73
Total equity		**2,030.50**	**1,833.13**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16A	210.58	31.79
ii) Lease liabilities	16B	16.04	-
b) Provisions	17	11.25	8.72
c) Deferred tax liabilities (net)	18	82.45	80.18
d) Other non-current liabilities	19	7.40	9.41
Total non-current liabilities		**327.72**	**130.10**
Current liabilities			
a) Financial liabilities			
i) Borrowings	16A	149.55	97.44
ii) Lease liabilities	16B	8.80	-
iii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises; and		9.59	7.32
- total outstanding dues of creditors other than micro enterprises and small enterprises		578.52	356.21
iv) Other financial liabilities	21	10.37	9.19
b) Other current liabilities	19	18.50	17.40
c) Provisions	17	4.01	2.92
d) Current tax liabilities (net)		0.78	-
Total current liabilities		**780.12**	**490.48**
Total liabilities		**1,107.84**	**620.58**
Total equity and liabilities		**3,138.34**	**2,453.71**

The accompanying notes to the standalone financial statements including material accounting policy information and other explanatory information are an integral part of these standalone financial statements.

This is the standalone balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15, 2026

Standalone Statement of Profit and Loss

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
a) Revenue from operations	22	3,037.86	2,996.80
b) Other income	23	54.63	28.94
Total income		**3,092.49**	**3,025.74**
Expenses			
a) Cost of materials consumed		2,099.41	2,109.49
b) Purchases of stock-in-trade		13.26	6.49
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	1.68	5.16
d) Employee benefits expenses	25	107.04	99.50
e) Finance costs	26	35.03	18.26
f) Depreciation and amortisation expenses	27	49.22	45.43
g) Other expenses	28	539.37	510.32
Total expenses		**2,845.01**	**2,794.65**
Profit before tax		**247.48**	**231.09**
Tax expense			
a) Current tax	29	53.50	52.51
b) Deferred tax charge	18	2.07	4.11
Total tax expense		**55.57**	**56.62**
Profit for the year		**191.91**	**174.47**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans		0.79	(0.30)
Income-tax effect on above		(0.20)	0.08
Other comprehensive income for the year		**0.59**	**(0.22)**
Total comprehensive income for the year		**192.50**	**174.25**
Earnings per share (face value of ₹ 10 each)	30		
Basic earnings per share (in Rupees)		22.74	23.17
Diluted earnings per share (in Rupees)		22.74	23.17

The accompanying notes to the standalone financial statements including material accounting policy information and other explanatory information are an integral part of these standalone financial statements.

This is the standalone statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15, 2026

Standalone Statement of Changes in Equity

(All amounts in Rupees Crores, unless otherwise stated)

A. Equity share capital

Particulars	Note	Number of shares (in nos.)	Amount
Issued, subscribed and fully paid-up share capital	14		
Equity shares of ₹ 10 each			
As at April 1, 2024		**7,19,43,000**	**71.94**
Issued during the year (refer note 48)		1,24,61,059	12.46
As at March 31, 2025		**8,44,04,059**	**84.40**
Issued during the year		-	-
As at March 31, 2026		**8,44,04,059**	**84.40**

B. Other equity (refer note 15)

Particulars	Reserves and surplus					Total
	General reserve	Securities premium	Employee stock options outstanding reserve	Retained earnings: Other retained earnings	Retained earnings: Re-measurement of defined benefit plan	
As at April 1, 2024	**232.39**	**-**	**2.05**	**980.70**	**(1.05)**	**1,214.09**
a) Profit for the year	-	-		174.47	-	174.47
b) Other comprehensive income						
Re-measurement of defined benefit plan	-	-	-	-	(0.22)	(0.22)
Total comprehensive income (a+b)	**-**	**-**	**-**	**174.47**	**(0.22)**	**174.25**
c) Transactions with owners in their capacity as owners:						
On issue of equity shares (refer note 48)	-	360.10	-	-	-	360.10
Share based payment to employees	-	-	0.29	-	-	0.29
As at March 31, 2025	**232.39**	**360.10**	**2.34**	**1,155.17**	**(1.27)**	**1,748.73**
d) Profit for the year	-	-	-	191.91	-	191.91
e) Other comprehensive income						-
Re-measurement of defined benefit plan	-	-	-	-	0.59	0.59
Total comprehensive income (d+e)	**-**	**-**	**-**	**191.91**	**0.59**	**192.50**
f) Transactions with owners in their capacity as owners:						
Share based payment to employees	-	-	0.83	-	-	0.83
Adjustment/ actualisation of share issue expenses	-	4.04	-	-	-	4.04
As at March 31, 2026	**232.39**	**364.14**	**3.17**	**1,347.08**	**(0.68)**	**1,946.10**

The accompanying notes to the standalone financial statements including material accounting policy information and other explanatory information are an integral part of these standalone financial statements.

This is the standalone statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15, 2026

Standalone Statement of Cash Flows

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Cash flow from operating activities			
Profit before tax		247.48	231.09
Adjustments for non-cash transactions and items considered separately			
Depreciation and amortisation expenses	27	49.22	45.43
Re-measurement of defined benefit plan		0.79	(0.30)
Share-based payments to employees	25	0.64	0.29
Gain on disposal of property, plant and equipment (net)	23	(4.51)	(0.11)
Interest income on bank deposits	23	(3.43)	(4.82)
Interest income on loan to subsidiary company	23	(10.38)	(0.01)
Guarantee commission income	23	(0.97)	(0.68)
Interest expense on financial guarantee liability	26	0.48	0.32
Finance costs	26	34.55	17.94
Unrealised portion of loss/ (gain) on foreign currency translations (net)		0.36	(1.71)
Liabilities / provisions no longer required, written back (net)	23	0.00	(0.51)
Reversal of allowance for expected credit loss (net)	28	(0.09)	(0.75)
Adjustment for government grants	39	(1.61)	(1.60)
Interest income on preference shares	23	(25.93)	(11.54)
(Reversal of write down)/ write down of inventories to net realisable value	10	(1.49)	3.17
Unwinding of interest on security deposits	23	(0.09)	-
Profit on sale of units of mutual funds (net)	23	(0.67)	(5.18)
Cash flow before changes in working capital		**284.35**	**271.03**
Changes in working capital			
Trade payables		221.21	(45.13)
Provisions and other liabilities		6.24	11.04
Inventories		(201.75)	28.22
Trade receivables		(4.99)	(21.14)
Other financial and non-financial assets		(62.63)	13.19
Cash generated from operations before taxes		**242.43**	**257.21**
Income-taxes paid (net of refunds)		(47.70)	(58.35)
Net cash generated from operating activities (A)		**194.73**	**198.86**
(B) Cash flow from investing activities			
Purchases of property, plant and equipment, capital work-in progress and intangible asset under development (including capital advances)		(75.61)	(45.80)
Proceeds from disposal of property, plant and equipment		27.82	0.24
Deposits (invested)/ matured (net)		(37.97)	23.91
Investment in preference shares of subsidiary company		(142.40)	(570.50)
Loan (given to)/ repaid by subsidiary companies		(181.35)	0.35
Interest received on loan to subsidiary companies		10.38	0.01
Sale proceeds of mutual funds (net)		0.67	112.12
Interest received on bank deposits		3.55	4.82
Net cash used in investing activities (B)		**(394.91)**	**(474.85)**

Standalone Statement of Cash Flows

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
(C) Cash flow from financing activities			
Proceeds from issue of equity shares (net of share issue expenses)	14&15	-	372.56
Cash credit facilities and short-term borrowings availed		3.59	95.91
Availment of long-term borrowings	16	256.77	-
Repayment of long-term borrowings	16	(29.47)	(185.73)
Payment of interest	16	(32.44)	(18.00)
Payment of principal portion of lease liabilities	16	(4.60)	-
Finance cost paid on lease liabilities	16	(1.70)	-
Net cash generated from financing activities (C)		**192.15**	**264.74**
Net decrease in cash and cash equivalents (A+B+C)		**(8.03)**	**(11.25)**
Cash and cash equivalents at the beginning of the year		10.10	21.35
Cash and cash equivalents at the end of the year		**2.07**	**10.10**
Notes to standalone statement of cash flows:			
Cash and cash equivalents at the end of the year comprise of :			
Balances with banks in current accounts	12	2.04	10.08
Cash on hand	12	0.03	0.02
		2.07	**10.10**

The standalone statement of cash flows has been prepared under indirect method as set out in Ind AS 7 'Statement of Cash Flows' specified under section 133 of the Companies Act, 2013.

Refer note 16 for changes in liabilities arising from financing activities as required by Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.

The accompanying notes to the standalone financial statements including material accounting policy information and other explanatory information are an integral part of these standalone financial statements.

This is the standalone statement of cash flows referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15, 2026

Summary Statement of Material Accounting policy information and other explanatory information to the Standalone Financial Statements

as at and for the year ended March 31, 2026

1. Corporate information

Sanathan Textiles Limited (the 'Company') is a company domiciled in India under the provisions of the erstwhile Companies Act, 1956. The equity shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited. The Company's registered office is located at SRV No. 187/4/1/2, Near Surangi Bridge, Surangi, Dadra and Nagar Haveli (District), Dadra and Nagar Haveli, India - 396230.

The Company is engaged in the manufacture and sale of polyester, texturized and cotton yarn and polyester chips.

2. Basis of preparation and presentation

2.1 General information and statement of compliance:

The standalone financial statements comprise of the standalone balance sheet as at March 31, 2026 standalone statement of profit and loss (including other comprehensive income), standalone statement of cash flows and standalone statement of changes in equity for the year then ended and notes to the standalone financial statements including material accounting policy information and other explanatory information (hereinafter collectively referred to as 'standalone financial statements').

These standalone financial statements have been prepared in accordance with the requirements of Indian Accounting Standards ('Ind AS'), prescribed under section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The standalone financial statements have been prepared on a going concern basis using the accrual basis of accounting and the accounting policies have been consistently applied, unless otherwise stated.

All amounts included in the standalone financial statements are reported in Indian Rupees ('INR') in Crores unless otherwise stated and "0" denotes amounts less than fifty thousand rupees.

The standalone financial statements of the Company as of and for the year ended March 31, 2026 were approved and authorised for issue by the Board of Directors on May 15, 2026.

Details of significant investments in subsidiary companies in accordance with Ind AS 27, 'Separate Financial Statements'

Name of the subsidiary company	Principal place of business	% ownership held by the Company as at March 31, 2026	% ownership held by the Company as at March 31, 2025
Sanathan Polycot Private Limited	India	100%	100%
Universal Texturisers Private Limited	India	100%	100%

2.2 Basis of measurement:

The standalone financial statements have been prepared on historical cost basis except for the following material items that have been measured at fair value:

i. Certain financial assets and liabilities (including derivative financial instruments) measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit plan measured using actuarial valuation; and

iii. Share-based payments.

2.3 Use of estimates and judgements:

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

Summary Statement of Material Accounting policy information and other explanatory information to the Standalone Financial Statements

as at and for the year ended March 31, 2026

a) **Recognition of deferred tax assets –** The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilised.

b) **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c) **Contingent liabilities –** At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

d) **Impairment of trade receivables –** At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the Company assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

e) **Impairment of financial assets -** The loss allowance on financial assets is based on expected credit loss method. The judgement is used in making the assumptions in calculating the default rate required for identifying the allowance as per the expected credit loss method at the end of each reporting period.

f) **Defined benefit obligation ('DBO') –** The Company's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the defined benefit expenses of the reporting period.

g) **Useful lives of property, plant and equipment and intangible assets –** The Company reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

h) **Government grants –** Grants receivable are based on estimates for utilisation of the grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted for prospectively over the balance obligation period.

i) **Fair value measurements –** Some of the Company's assets and liabilities are measured at fair value. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs i.e., market-observable inputs are not available, the Company engages third party valuers, where required, to perform the valuation.

j) **Impairment of non-financial assets -** In assessing impairment, the Company estimates the recoverable amounts of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.

k) **Write down of inventories –** The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

l) **Provisions -** Provisions are recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding defined benefit plan) are not discounted to their present value and are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Summary Statement of Material Accounting policy information and other explanatory information to the Standalone Financial Statements

as at and for the year ended March 31, 2026

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

m) Share-based payments - The grant date fair value of the option granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under 'Employee stock options outstanding reserve'. The amount recognised as expense is adjusted to reflect the impact of the revision estimated based on number of options that are expected to vest, in the standalone statement of profit end with a corresponding adjustment to equity.

2.4 Summary of material accounting policies:

(i) Functional and presentation currency

Items included in the standalone financial statements of the Company is measured using the currency of the primary economic environment in which the Company operates i.e., the 'functional currency'. The standalone financial statements are presented in INR, which is the functional and presentation currency of the Company.

(ii) Foreign currency transactions and translations

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the standalone statement of profit and loss in the period in which they arise.

(iii) Financial instruments

a. Initial recognition and measurement

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss ('FVTPL') are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

Financial liabilities are classified as measured at amortised cost or FVTPL. The fair value of a financial liability at initial recognition is normally the transaction price. A financial liability is classified as at FVTPL if it is classified as held-for-trading, 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 recognised in profit or loss.

In accordance with Ind AS 113, 'Fair Value Measurements', the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Company's financial liabilities include trade payables, lease liabilities, borrowings including bank overdrafts and other payables.

b. Subsequent measurement

Non-derivative financial instruments

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Summary Statement of Material Accounting policy information and other explanatory information to the Standalone Financial Statements

as at and for the year ended March 31, 2026

(b) Financial assets at fair value through other comprehensive income ('FVOCI')

A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(d) Financial liabilities

The measurement of financial liabilities depends on their classification.

After initial recognition, interest-bearing borrowings and lease liabilities are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Any gains and losses are recognised in profit or loss when the liabilities are de-recognised.

The EIR method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included as finance costs in the standalone statement of profit and loss, unless and to the extent capitalised as part of costs of an asset.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

(e) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts liabilities, if any, issued by the Company to its subsidiary companies, are measured initially at their fair values and recognised as income in the statement of profit and loss over the period of guarantee.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

(f) Derivative financial instruments

Derivative financial instruments such as forward contracts, to hedge foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the standalone statement of profit and loss in the period when they arise.

c. De-recognition of financial instruments

The Company de-recognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset. A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such

Summary Statement of Material Accounting policy information and other explanatory information to the Standalone Financial Statements

as at and for the year ended March 31, 2026

an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

d. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(iv) Current versus non-current classification

(i) An asset is considered as current when it is:

a. Expected to be realised or intended to be sold or consumed in the normal operating cycle; or

b. Held primarily for the purpose of trading; or

c. Expected to be realised within twelve months after the reporting period; or

d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

(ii) Liability is considered as current when it is:

a. Expected to be settled in the normal operating cycle; or

b. Held primarily for the purpose of trading; or

c. Due to be settled within twelve months after the reporting period; or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(iii) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as not exceeding twelve months for the purpose of current and non-current classification of assets and liabilities.

(v) Property, plant and equipment ('PPE')

Recognition and initial measurement

PPE are recognised at their cost of acquisition. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs and disposal

Subsequent costs are included in the asset's carrying amount or recognised 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. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repair and maintenance costs are recognised in the standalone statement of profit and loss as incurred.

Items such as spare parts are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory.

An item of PPE initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the standalone statement of profit and loss when the asset is de-recognised.

Capital work-in-progress includes PPE under construction and not ready for intended use as on the balance sheet date.

Summary Statement of Material Accounting policy information and other explanatory information to the Standalone Financial Statements

as at and for the year ended March 31, 2026

Subsequent measurement (depreciation and useful lives)

Freehold land is carried at cost and is a non-depreciable asset. All other items of PPE are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on PPE is provided on a straight-line basis, computed on the basis of management's estimate of useful lives (as set out below), which is in line with useful lives prescribed under Schedule II to the Act, except for plant and equipment wherein based on the technical evaluation, useful life has been estimated to be 15 to 25 years.

The estimated useful lives of different classes of PPE are as follows:

Class of PPE	Useful life
Buildings	30-60 years
Computers	3 - 6 years
Electrical installations and equipment	10 years
Furniture and fixtures	10 years
Factory equipment	15 years
Laboratory equipment	10 years
Office equipment	5 years
Vehicles	8-10 years
Plant and equipment	15-25 years

The residual values are not more than 5% of the original cost of the PPE. The residual values, useful lives and method of depreciation are reviewed at each reporting date.

(vi) Intangible assets

Recognition and initial measurement

Intangible assets are recognised when it is possible that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Subsequent measurement (amortisation and useful lives)

Intangible assets are stated at original costs, if any, less accumulated amortisation and cumulative impairment, if any.

Intangible assets are amortised over their useful life, as determined by the management.

The estimated useful life of the Company's intangible asset is as follows:

Class of intangible asset	Useful life
Computer software	3 years

(vii) Leases

The Company as a lessee – Right of use ('ROU') assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement of ROU assets

At lease commencement date, the Company recognises a ROU asset and a lease liability on the standalone balance sheet. The ROU asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement of ROU assets

The Company depreciates the ROU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Company also assesses the ROU asset for impairment when such indicators exist.

ROU arising from sale and leaseback transactions

ROU asset arising from a sale and leaseback transaction is measured at the proportion of previous carrying amount of the asset that relates to right of use retained by the Company. Where sale proceeds received are judged

Summary Statement of Material Accounting policy information and other explanatory information to the Standalone Financial Statements

as at and for the year ended March 31, 2026

to reflect the asset's fair value, any gain or loss arising on disposal is recognised in the standalone statement of profit and loss, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use assets recognised at commencement of the lease. Where sale proceeds received are not at the asset's fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

Lease liabilities

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the ROU asset.

The Company has elected to account for short-term leases and low value leases using the practical expedients. Instead of recognising a ROU asset and lease liability, the payments in relation to these short-term leases and low value leases are recognised as an expense in the standalone statement of profit and loss.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income is recognised on accrual basis.

(viii) Impairment of assets

(a) Non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(b) Financial assets

The Company assesses based on historical trends and forward-looking information, the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

In respect of trade receivables and other financial assets, the Company applies the simplified approach of Ind AS 109, 'Financial Instruments', which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Summary Statement of Material Accounting policy information and other explanatory information to the Standalone Financial Statements

as at and for the year ended March 31, 2026

(ix) Employee benefits

(a) Long-term employee benefits

(i) Defined contribution plan

The Company has defined contribution plan for post-employment benefits in the form of provident fund and employees' state insurance fund. Under the defined contribution plan, the Company has no further obligation beyond making the contributions. Such contributions are charged to the standalone statement of profit and loss as incurred.

(ii) Defined benefit plan

The Company has defined benefit plan for post-employment benefits in the form of gratuity for its employees in India. Liability for defined benefit plan is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. The liability recognised in the standalone financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs.

Discount factors are determined close to each period-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost and net interest expense on the Company's defined benefit plan is included in employee benefits expense.

Actuarial gains or losses are recognised in other comprehensive income('OCI'). Interest expense recognised in the standalone statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the defined benefit liability.

(b) Short-term employee benefits

Salaries and wages, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus, incentives etc. These are measured at the amounts paid or expected to be paid when the liabilities are settled. The accrued liabilities, if any, are presented as current employee benefit obligations in the standalone balance sheet.

(c) Share-based payments

The fair value of options granted under Sanathan Textiles Limited Employee Stock Option Plan ('ESOP 2021') recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price);
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specified period of time).

Total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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When the Company modifies the terms or conditions of the equity instruments granted in a manner that is beneficial to the employee, an additional expense is recognised over the remainder of vesting period for modification that increases the total fair value of the options granted or is otherwise beneficial to the employee as at the date of modification.

When the Company modifies the terms or conditions of the equity instruments granted in a manner that is not otherwise beneficial to the employee, the Company continues to account for the services received as consideration for the equity instruments granted as if that modification had not occurred.

(x) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent asset is not recognised in the standalone financial statements. However, it is recognised only when an inflow of economic benefits is probable.

(xi) Borrowing costs

Borrowing costs includes interest expense on borrowings calculated using the EIR, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale ('qualifying asset') are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(xii) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw material comprises of cost of purchase and other cost incurred in bringing the inventory to their present condition and location. Trade discounts, rebates and other similar items are deducted in determining the cost of purchase. Cost is determined on a moving weighted average basis.

The cost of finished goods, intermediate products and work-in-progress includes cost of direct materials and labour and a proportion of variable overheads based on the actual use of production facilities and apportionable fixed overhead expenditure based on the normal operating capacity.

In case of stock-in-trade, cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a moving weighted average basis.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, write-down is done for such inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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Further, inventories contain stores and packing materials. Adequate allowances are recognised as a measure of consumption over their expected life based on their usage.

Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

(xiii)Income recognition

(a) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products. Revenue is measured net of rebates, discounts and taxes. A receivable is recognised by the Company when control is transferred as this is the point in time where consideration is unconditional because only the passage of time is required for the payment to be received.

No element of financing is deemed to be present since the Company does not provide significant period of credit to its customers.

The Company applies the revenue recognition criteria to each component of the revenue transaction as set out below:

Sale of products

Revenue from sale of products is recognised when the performance obligation is satisfied by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset which is generally on dispatch of goods. In cases where performance obligations are satisfied upon delivery based on the terms of the contract, the revenue is recognised upon such delivery.

The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue (other than sale of products)

Revenue (other than sale of products) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(b) Other operating revenue

Other operating revenue, inter-alia, includes export incentives. Export incentives constituting duty drawback, incentives under Remission of Duties and Taxes on Exported Products (RODTEP) and Duty-drawback Scheme which are accounted for on accrual basis where there is reasonable assurance that the Company will comply with the conditions attached to them and the export benefits will be received. Export incentives in the nature of government grants under Export Promotion Capital Goods (EPCG), are notified by Government of India and are accounted for in the period of exports and discharging other conditions attached to the grant, and when there is no uncertainty in its recognition.

(c) Interest income

Interest income is recorded on accrual basis using the EIR method.

(d) Dividend

Dividend income is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

(e) Other income

Other income is recognised when no significant uncertainty as to its determination and realisation exists.

(xiv) Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in standalone statement of profit and loss except to the extent that it relates to items recognised directly in equity or OCI.

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The current income-tax charge is calculated on the basis of the tax laws enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(xv) Earnings per share

Basic earnings per share is calculated by dividing the standalone net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares of the Company outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events including a bonus issue or share split.

For the purpose of calculating diluted earnings per share, the standalone net profit or loss for the year attributable to equity shareholders and the weighted average number of shares of the Company outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

(xvi)Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash, balance in current accounts with banks and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

(xvii) Government grants

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants related to or used for assets are included in the balance sheet as deferred government grant and recognised as income in the standalone statement of profit and loss in the proportion of export obligations that have been discharged.

Export benefits available under prevalent schemes are accrued in the period in which the goods are exported and there is no uncertainty in receiving the same.

(xviii) Investments

Investments in equity instruments of subsidiaries is carried at cost in accordance with Ind AS 27 'Separate Financial Statements'.

All other investments in other equity instruments falling under scope of Ind AS 109 'Financial Instruments' are measured at fair value.

For equity investments other than investments in subsidiaries, the Company makes an irrevocable election to present in OCI, the subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on

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the instrument, excluding dividends and impairment loss, are recognised in OCI. There is no recycling of the amounts from the OCI to the standalone statement of profit and loss, even on sale of the investment. However, the Company may transfer the cumulative gain or loss within categories of equity.

Investments where the Company does not make an election to present the subsequent fair value changes in OCI, are classified at FVTPL.

The debt portion of investment in preference shares, if identified as compound financial instrument, is measured at amortised cost.

Mutual funds which are held for trading are classified as at FVTPL with all changes recognised in the standalone statement of profit and loss. The mutual funds are valued using closing net asset value (NAV).

(xix)Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, who are considered as chief operating decision maker ('CODM').

(xx) Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to assist users in understanding the financial performance achieved and in making projections of future financial performance, the nature and amount of such material items are disclosed separately as exceptional items.

(xxi)Events after the reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Where the events are indicative of conditions that arose after the reporting period, the amounts are not adjusted, but are disclosed if those non-adjusting events are material.

2.5 Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

MCA has issued following amendments effective from April 1, 2025.

Amendments to Ind AS 21 - Lack of exchangeability

MCA via notification dated May 7, 2025, announced amendments to Ind AS 21, '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 Company has reviewed the amendment and based on its evaluation, has determined that it does not have any material impact on the standalone financial statements.

Classification of liabilities as current or non-current and non-current liabilities with covenants - Amendments to Ind AS 1

MCA via notification dated August 13, 2025 announced amendments to Ind AS 1, Presentation of Financial Statements, which elaborate on guidance set out in Ind AS 1 by:

- clarifying that the right to defer settlement of a liability for at least 12 months after the reporting period;

a) must have substance, and b) must exist at the end of the reporting period;

- stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability;
- including requirements for liabilities that can be settled using an entity's own instruments; and
- stating that at the reporting date, the entity does not consider covenants that will need to be complied with in the future when considering the classification of the debt as current or non-current

In addition, an entity is required to disclose 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.

Summary Statement of Material Accounting policy information and other explanatory information to the Standalone Financial Statements

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The Company has no impact of this amendment in its classification criteria of current and non-current liabilities.

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

MCA via notification dated August 13, 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 Company has no impact of this amendment on its classification of current and non-current liabilities.

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

MCA via notification dated August 13, 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 Pillar 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 Company has reviewed the amendment and based on its evaluation, has determined that it does not have any significant impact on the standalone financial statements.

2.6 New standards and amendments to existing Standards which are issued but are not yet effective and have not been early adopted by the Company

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

Paragraph 74 of Ind AS 1 currently effective for the year ended March 31, 2026 requires the entity not to classify the liability as current, if there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, however, 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.

MCA vide notification dated August 13, 2025, has introduced amendment under Paragraph 74 of Ind AS 1which requires the entity to classify the liability as current under the aforementioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date. Such amendment has been made effective for annual reporting periods beginning on or after April 1, 2026 retrospectively in accordance with Ind AS 8.

This amendment is not expected to have a material impact on the Company's standalone financial statements.

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Note 3A : Property, plant and equipment ('PPE')

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Electrical installations and equipment	Office equipment	Factory equipment	Laboratory equipment	Computers	Total
Gross block											
As at April 1, 2024	**104.60**	**281.63**	**1,113.65**	**2.56**	**24.58**	**58.30**	**1.75**	**27.82**	**7.89**	**8.87**	**1,631.65**
Additions	0.39	0.89	40.23	0.01	0.61	0.63	0.12	4.91	0.66	0.24	48.69
Deletions	-	-	0.18	-	0.66	-	-	-	-	0.13	0.97
As at March 31, 2025	**104.99**	**282.52**	**1,153.70**	**2.57**	**24.53**	**58.93**	**1.87**	**32.73**	**8.55**	**8.98**	**1,679.37**
Additions	-	1.05	5.51	0.04	6.24	0.16	0.34	5.25	-	0.19	18.78
Deletions	-	-	66.02	-	2.92	-	0.05	-	-	-	68.99
As at March 31, 2026	**104.99**	**283.57**	**1,093.19**	**2.61**	**27.85**	**59.09**	**2.16**	**37.98**	**8.55**	**9.17**	**1,629.16**
Accumulated depreciation											
As at April 1, 2024	**-**	**87.47**	**645.27**	**2.07**	**7.90**	**41.61**	**1.17**	**9.20**	**5.97**	**6.81**	**807.47**
Charge for the year	-	8.03	27.55	0.07	2.77	2.91	0.17	1.91	0.40	0.64	44.45
Reversal on deletions	-	-	0.12	-	0.60	-	-	-	-	0.12	0.84
As at March 31, 2025	**-**	**95.50**	**672.70**	**2.14**	**10.07**	**44.52**	**1.34**	**11.11**	**6.37**	**7.33**	**851.08**
Charge for the year	-	8.06	28.53	0.07	2.68	2.79	0.19	2.03	0.43	0.65	45.43
Reversal on deletions	-	-	59.12	-	1.57	-	0.04	-	-	-	60.73
As at March 31, 2026	**-**	**103.56**	**642.11**	**2.21**	**11.18**	**47.31**	**1.49**	**13.14**	**6.80**	**7.98**	**835.78**
Net block											
As at March 31, 2025	**104.99**	**187.02**	**481.00**	**0.43**	**14.46**	**14.41**	**0.53**	**21.62**	**2.18**	**1.65**	**828.29**
As at March 31, 2026	**104.99**	**180.01**	**451.08**	**0.40**	**16.67**	**11.78**	**0.67**	**24.84**	**1.75**	**1.19**	**793.38**

(i) The title deeds of all the immovable properties are held in the name of the Company.

(ii) Refer note 16A for information on PPE provided as collateral or security for borrowings or finance facilities availed by the Company.

(iii) Refer note 38 (ii) for capital commitments.

Notes to the Standalone Financial Statements

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Note 3B : Capital work-in-progress ('CWIP')

Particulars	As at March 31, 2026	As at March 31, 2025
CWIP	63.58	11.20
Total	**63.58**	**11.20**

Disclosure for movement in CWIP:

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	11.20	12.03
Additions during the year	71.16	47.47
Capitalised during the year	(18.78)	(48.30)
Balance at the end of the year	**63.58**	**11.20**

Details of CWIP ageing schedule

As at March 31, 2026

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	55.38	8.07	0.13	-	63.58
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	10.83	0.37	-	-	11.20
Projects temporarily suspended	-	-	-	-	-

Note: There is no CWIP, completion of which is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025.

Note 3C : Right-of-use assets

Particulars	Plant and equipment/ Total
Gross block	
As at April 1, 2024	**-**
Additions	-
Deletions	-
As at March 31, 2025	**-**
Additions	15.01
Deletions	-
As at March 31, 2026	**15.01**
Accumulated depreciation	
As at April 1, 2024	**-**
Charge for the year	-
Reversal on deletions	-
As at March 31, 2025	**-**

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Note 3C : Right-of-use assets (Contd..)

Particulars	Plant and equipment/ Total
Charge for the year	2.79
Reversal on deletions	-
As at March 31, 2026	**2.79**
Net block	
As at March 31, 2025	**-**
As at March 31, 2026	**12.22**

Refer note 43 for disclosure on leased assets in accordance with Ind AS 116, 'Leases'.

Note 4 : Intangible assets

Particulars	Software/ Total
Gross block	
As at April 1, 2024	**3.10**
Additions	-
Deletions	-
As at March 31, 2025	**3.10**
Additions	0.26
Deletions	-
As at March 31, 2026	**3.36**
Accumulated amortisation	
As at April 1, 2024	**0.63**
Charge for the year	0.98
Reversal on deletions	-
As at March 31, 2025	**1.61**
Charge for the year	1.00
Reversal on deletions	-
As at March 31, 2026	**2.61**
Net block	
As at March 31, 2025	**1.49**
As at March 31, 2026	**0.75**

Note 5 : Investments

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
1) Investments carried at cost				
(a) Investments in equity instruments (fully paid-up)				
Unquoted				
Investment in subsidiaries				
9,899,999 equity shares (March 31, 2025: 9,899,999) of ₹10 each of Sanathan Polycot Private Limited	9.90	-	9.90	-
4,998,499 equity shares (March 31, 2025: 4,998,499) of ₹10 each of Universal Texturisers Private Limited	13.50	-	13.50	-
Deemed investment in Sanathan Polycot Private Limited (refer note 32(c))*	7.18	-	5.87	-

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as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 5 : Investments (Contd..)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
(b) Investment in preference shares (equity portion) - at cost				
Unquoted				
Investment in subsidiary				
1,002,400,000 (March 31, 2025 : 860,000,000) 7% non-convertible non-cumulative redeemable preference shares of ₹ 10 each of Sanathan Polycot Private Limited	725.33	-	621.11	-
(c) Investment in preference shares (debt portion) - at amortised cost				
Unquoted				
Investment in subsidiary				
1,002,400,000 (March 31, 2025 : 860,000,000) 7% non-convertible non-cumulative redeemable preference shares of ₹ 10 each of Sanathan Polycot Private Limited	323.70	-	259.59	-
Total	**1,079.61**	**-**	**909.97**	**-**

Particulars	As at March 31, 2026	As at March 31, 2025
Aggregate amount of unquoted investments	1,079.61	909.97
Aggregate amount of impairment in value of investments	-	-

*This represents corporate guarantee commission measured and recognised in accordance with Ind AS 109, 'Financial Instruments'.

Refer note 34A for information on market risk.

Refer note 16A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

Note 6 : Loans

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Unsecured, considered good				
Loan to subsidiary company	181.38	-	0.03	-
Total	**181.38**	**-**	**0.03**	**-**

Amount due from private company in which any director is a director amounts to ₹ 181.38 Crores (March 31, 2025: ₹ 0.03 Crores) (refer note 32 (c))

Refer note 34A for information on credit risk.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 7 : Other financial assets

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Unsecured, considered good				
Security deposits#	2.63	0.13	0.76	0.27
Bank deposits with maturity of more than twelve months*	2.12	-	2.02	-
Other receivables				
Insurance receivable	-	0.19	-	1.11
Derivative financial asset	-	4.36	-	-
Others	-	0.02	-	0.04
Total	**4.75**	**4.70**	**2.78**	**1.42**

Includes security deposit given to a private company having common director amounting to ₹ 0.05 Crores (March 31, 2025: ₹ 0.22 Crores) (refer note 32(c)).

* entire amount is held as lien against bank guarantees, letter of credit issued by bank and with the sales tax department.

There are no repatriation restrictions with regard to bank deposits as at the reporting dates.

Refer note 34A for information on credit risk.

Refer note 16A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

Note 8 : Income-tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance tax (net of provision for tax)	-	5.02
Total	**-**	**5.02**

Note 9 : Other assets

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Capital advances	6.21	-	4.82	-
Advances other than capital advances				
Advance to suppliers	-	34.03	-	11.48
Balances with government authorities	12.77	138.42	13.94	93.78
Prepaid expenses	1.20	4.29	1.02	3.62
Total	**20.18**	**176.74**	**19.78**	**108.88**

There are no advances to directors or other officers of the Company, or any of them either severally or jointly with any other persons, or advances to firms or private companies respectively in which any director is a partner or a director or a member.

Refer note 16A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 10 : Inventories

Valued at lower of cost and net realisable value

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials*	401.86	201.82
Work-in-progress	6.92	7.46
Finished goods##	80.50	84.52
Intermediate products #	33.40	30.52
Stores and packing materials*	35.49	33.58
Total	**558.17**	**357.90**
* Goods-in-transit included in:		
- Raw materials	174.47	56.82
- Stores and packing materials	1.36	0.06
Write down of inventories to net realisable value**	1.68	3.17
** The impact is considered in "Changes in inventories of finished goods, work-in-progress and stock-in-trade		
## Includes carrying values of inventories valued at fair value less cost to sell	35.92	34.29

Intermediate products are manufactured components which are sold either after further processing or directly without further processing

Refer note 16A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

Note 11 : Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Considered good	154.63	148.69
Less: Allowance for expected credit loss	(0.42)	(0.58)
	154.21	**148.11**
Credit impaired	0.61	0.54
Less: Allowance for expected credit loss	(0.61)	(0.54)
	-	**-**
Total	**154.21**	**148.11**
i. Dues from directors or other officers of the Company	-	-
ii. Dues from firms or private companies in which any director is a partner or a director or a member	1.02	0.66

Movement in the allowance for expected credit loss

Particulars	Amount
As at April 1, 2024	**1.87**
Reversal during the year (net)	(0.75)
As at March 31, 2025	**1.12**
Reversal during the year (net)	(0.09)
As at March 31, 2026	**1.03**

Notes:

(i) The net carrying value of the trade receivables is considered a reasonable approximation of fair value.

(ii) Trade receivables are generally non-interest bearing, immediately due and are generally collected within a period of 30 days.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 11 : Trade receivables (Contd..)

(iii) Refer note 34A for information on credit risk and market risk.

(iv) Refer note 16A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

Trade receivables ageing schedule

As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
(i) Considered good	146.54	0.28	-	0.20	7.61	154.63
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii)Credit impaired	-	-	-	-	-	-
Disputed trade receivables						
(i) Considered good	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii)Credit impaired	-	-	-	-	0.61	0.61

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
(i) Considered good	139.45	0.21	0.20	8.83	-	148.69
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii)Credit impaired	-	-	-	-	-	-
Disputed trade receivables						
(i) Considered good	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii)Credit impaired	-	-	-	-	0.54	0.54

There are no unbilled dues as at the reporting dates.

Note 12 : Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks in current accounts	2.04	10.08
Cash on hand	0.03	0.02
Total	**2.07**	**10.10**

Refer note 34A for information on credit risk and market risk.

Refer note 16A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

There are no repatriation restrictions with regard to cash and cash equivalents as at the reporting dates.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 13 : Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Bank deposits with remaining maturity of less than twelve months*#	86.02	46.23
Balances with banks in current accounts##	0.58	2.51
Total	**86.60**	**48.74**

*entire amount is held as lien against bank guarantees and letter of credit issued by the bank.

#Includes fixed deposits amounting to ₹6.58 crores earmarked against unspent corporate social responsibility obligations relating to ongoing projects in accordance with Section 135 of the Act.

##the amount is earmarked for corporate social responsibility expenditure in the scheduled bank as required under section 135 of the Act.

There are no repatriation restrictions with regard to bank balances other than cash and cash equivalents as at the reporting dates.

Refer note 34A for information on credit risk.

Refer note 16A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Company.

Note 14 : Equity share capital

Particulars	Number of shares	Amount
Authorised share capital		
Equity shares of ₹ 10 each		
As at March 31, 2026	9,00,00,000	90.00
As at March 31, 2025	9,00,00,000	90.00
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 10 each		
As at April 1, 2024	**7,19,43,000**	**71.94**
Issued during the year (refer note 48)	1,24,61,059	12.46
As at March 31, 2025	**8,44,04,059**	**84.40**
Issued during the year	-	-
As at March 31, 2026	**8,44,04,059**	**84.40**

a. Terms and rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per equity share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company after distribution of all preferential amounts and liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares of ₹ 10 each, fully paid-up				
Nimbus Trust	1,04,75,000	12.41%	1,04,75,000	12.41%
P&B Family Trust	1,04,75,000	12.41%	1,04,75,000	12.41%
D&G Family Trust	1,04,75,000	12.41%	1,04,75,000	12.41%
A&J Family Trust	1,04,75,000	12.41%	1,04,75,000	12.41%
Ajaykumar Dattani	62,47,432	7.40%	62,47,432	7.40%
Dineshkumar Dattani	57,13,195	6.77%	57,13,195	6.77%
Paresh Dattani	60,48,831	7.17%	60,48,831	7.17%
Anilkumar Dattani	55,82,050	6.61%	55,82,050	6.61%

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 14 : Equity share capital (Contd..)

Above information has been furnished as per records of the Company, including its register of shareholders or members and other declarations received from shareholders regarding beneficial interest. The above shareholding represents both legal and beneficial ownership of shares.

c. Shareholding of promoters:

As at March 31, 2026

Name of promoter	Shares held by promoters at the end of the year		% change during the year
	Number of shares	% of total shares	
Equity shares of ₹ 10 each, fully paid-up			
Nimbus Trust	1,04,75,000	12.41%	Nil
P&B Family Trust	1,04,75,000	12.41%	Nil
D&G Family Trust	1,04,75,000	12.41%	Nil
A&J Family Trust	1,04,75,000	12.41%	Nil
Ajaykumar Dattani	62,47,432	7.40%	Nil
Dineshkumar Dattani	57,13,195	6.77%	Nil
Paresh Dattani	60,48,831	7.17%	Nil
Anilkumar Dattani	55,82,050	6.61%	Nil

As at March 31, 2025

Name of promoter	Shares held by promoters at the end of the year		% change during the year
	Number of shares	% of total shares	
Equity shares of ₹ 10 each, fully paid-up			
Nimbus Trust	1,04,75,000	12.41%	(2.15%)
P&B Family Trust	1,04,75,000	12.41%	(2.15%)
D&G Family Trust	1,04,75,000	12.41%	(2.15%)
A&J Family Trust	1,04,75,000	12.41%	(2.15%)
Ajaykumar Dattani	62,47,432	7.40%	(2.79%)
Dineshkumar Dattani	57,13,195	6.77%	(3.12%)
Paresh Dattani	60,48,831	7.17%	(2.58%)
Anilkumar Dattani	55,82,050	6.61%	(2.87%)

d. The Company has not issued any bonus shares, neither the Company has bought back any of its shares, nor any shares have been issued pursuant to contract without payment being received in cash during the five years immediately preceding March 31, 2026.

e. Shares reserved for issue under options

Information relating to the Employee Stock Option Plan, 2021 ('ESOP 2021') of the Company, including details of options issued, exercised and lapsed during the year and the options outstanding at the end of the reporting year, is set out under note 45.

Date of conversion in equity shares

Particulars	Date of conversion
ESOP 2021	June 30, 2026
	June 30, 2027
	June 30, 2028
	June 30, 2029

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
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Note 15 : Other equity

Particulars	Sub-note	As at March 31, 2026	As at March 31, 2025
Retained earnings	(i)	1,346.40	1,153.90
Securities premium	(ii)	364.14	360.10
General reserve	(iii)	232.39	232.39
Employee stock options outstanding reserve	(iv)	3.17	2.34
Total		**1,946.10**	**1,748.73**

(i) Retained earnings

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1,153.90	979.65
Add: Profit for the year	191.91	174.47
Add: Other comprehensive income / (loss) - remeasurement of defined benefit plans	0.59	(0.22)
Balance at the end of the year	**1,346.40**	**1,153.90**

(ii) Securities premium

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	360.10	-
Add: On issue of equity shares (refer note 48)	-	360.10
Add: Adjustment/Actualisation of share issue expenses	4.04	-
Balance at the end of the year	**364.14**	**360.10**

(iii) General reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	232.39	232.39
Balance at the end of the year	**232.39**	**232.39**

(iv) Employee stock options outstanding reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	2.34	2.05
Add: Share based payment to employees	0.83	0.29
Balance at the end of the year	**3.17**	**2.34**

Nature and purpose of reserves:

i) Retained earnings

Retained earnings represent the profits earned by the Company till date less any transfers to general reserve, dividends or other distributions to the shareholders.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 15 : Other equity (Contd..)

ii) Securities premium

Securities premium is credited when the shares are issued at premium and is utilised in accordance with provisions of the Act.

iii) General reserve

This represents appropriation of profit by the Company.

iv) Employee stock options outstanding reserve

This represents the fair value of the stock options granted by the Company, accumulated over the vesting period. The reserve will be utilised upon exercise of the options.

Note 16A : Borrowings

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Secured				
Term loans (refer notes 1(i) & 1(ii) and 2(i) & 2(ii))				
Rupee loans*	206.41	-	23.33	-
Foreign currency loans	-	-	8.00	-
Vehicle loans	4.17	-	0.46	-
Sub-total (A)	**210.58**	**-**	**31.79**	**-**
Current maturities of long-term borrowings				
Term loans (refer notes 1(i) & 1(ii) and 2(i) & 2(ii))				
Rupee loans*	-	48.88	-	-
Vehicle loans	-	1.17	-	1.53
Sub-total (B)	**-**	**50.05**	**-**	**1.53**
Cash credit facilities from banks (refer notes 1(iii) and 2(iii))	-	59.02	-	59.91
Working capital demand loans	-	40.48	-	36.00
Sub-total (C)	**-**	**99.50**	**-**	**95.91**
Total (A+B+C)	**210.58**	**149.55**	**31.79**	**97.44**

Refer note 34A for information on liquidity risk and market risk.

The Company has utilised the borrowings for the specific purposes for which it was availed.

There are no defaults in the repayment of borrowings and interest during and as at the years ended March 31, 2026 and March 31, 2025.

*During the year, the Company has sold machineries to an independent entity ('lessor') and subsequently entered a contract for the right to use these machineries against monthly payments for a period of 6 years. The contract also gives an option to the Company to repurchase these machineries at the end of six years. Upon evaluation of the transfer in accordance with the requirements of 'Ind AS 115', 'Revenue from Contracts with Customers', the Company has concluded that the transfer does not qualify as a sale, since there is no transfer of control. Accordingly, the Company continues to recognise these machineries as its property, plant and equipment and has recognised a financial liability equal to the amount of proceeds payable, and subsequently measured in accordance with 'Ind AS 109, 'Financial Instruments'. An amount of ₹ 31.77 Crores is included under Rupee Term Loans towards this financial liability.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 16A : Borrowings (Contd..)

1) Details of interest rates terms and securities

i) Term loans

For the year ended	Number of loans	Rate of interest
March 31, 2026	7	Interest rates range from 1 year Minimum Cost of Funds Based Lending Rate ('MCLR')+0.50% per annum ('p.a.') to 1 year MCLR+1.50% p.a and Alternate Reference Rate ('ARR') + 425 basis point ('bps')+ 6 month MCLR+1.40% p.a.
March 31, 2025	5	Interest rates range from 1 year MCLR+0.50% p.a. to 1 year MCLR+1.50% p.a and ARR + 425 bps.

The various term loans are secured by :

a) First charge on pari-passu basis on hypothecation of PPE of the Company.

b) First charge on pari-passu basis on equitable mortgage of factory, land and building.

c) First charge on equitable mortgage of office premises on pari-passu basis.

d) First charge on equitable mortgage of immovable property of one of the directors (common charge for cash credit facilities and Rupee term loans).

e) Charge on pari-passu basis for all current assets, both present and future.

f) Personal guarantees by directors and relatives of directors (refer note 32(b)).

All the foreign currency loans are from banks within India.

ii) Vehicle loans

For the year ended	Number of loans	Rate of interest
March 31, 2026	6	Interest rate ranges from 7.60% p.a to 8.75% p.a.
March 31, 2025	4	Interest rate ranges from 8.70% p.a to 8.75% p.a.

All the aforementioned vehicle loans were secured against hypothecation of the respective vehicles.

iii) Cash credit facilities and working capital demand loans

For the year ended	Rate of interest
March 31, 2026	Interest rates range from 1 year MCLR+0.50% p.a.+ Strategic Premium ('SP') to 1 year MCLR+1.25% p.a.
March 31, 2025	Interest rates range from 1 year MCLR+0.50% p.a.+ Strategic Premium ('SP') to 1 year MCLR+1.25% p.a.

The aforementioned facilities are secured by first pari-passu charge by way of hypothecation and / or pledge of current assets, all movable assets, both present and future and first charge on equitable mortgage of immovable property of one of the directors (common charge for cash credit facilities and Rupee term loans) of the Company.

2) Details of repayment terms

i) Term loans

As at March 31, 2026

Particulars	Number of instalments outstanding as at March 31, 2026	Amount*
Rupee term loans	2 quarterly instalments	14.37
Rupee term loans	3 quarterly instalments	15.60

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 16A : Borrowings (Contd..)

Particulars	Number of instalments outstanding as at March 31, 2026	Amount*
Rupee term loans	5 quarterly instalments	1.14
Rupee term loans	17 quarterly insalments	127.50
Rupee term loans	52 monthly instalments	67.41

As at March 31, 2025

Particulars	Number of instalments outstanding as at March 31, 2025	Amount*
Rupee term loans	2 quarterly instalments	6.83
Rupee term loans	3 quarterly instalments	15.81
Rupee term loans	5 quarterly instalment	1.29
Foreign currency term loans	2 quarterly instalments	8.00

*Amounts are exclusive of EIR impact as per Ind AS 109 'Financial instruments'.

ii) Vehicle loans

Particulars	Number of instalments outstanding as at March 31, 2026	Amount*
Vehicle loans	1 monthly instalment	0.01
Vehicle loans	3 monthly instalments	0.08
Vehicle loans	4 monthly instalments	0.15
Vehicle loans	6 monthly instalments	0.21
Vehicle loans	60 monthly instalments	2.55
Vehicle loans	79 monthly instalments	2.34

Particulars	Number of instalments outstanding as at March 31, 2025	Amount*
Vehicle loans	13 monthly instalments	0.42
Vehicle loans	15 monthly instalments	0.34
Vehicle loans	16 monthly instalments	0.61
Vehicle loans	18 monthly instalments	0.62

iii) Cash credit facilities and working capital demand loans

Cash credit facilities and working capital demand loans are repayable on demand.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 16A : Borrowings (Contd..)

3) Details related to borrowings secured against current assets

The Company has pledged current assets as security for borrowings obtained from banks. The Company duly submitted the required information to the banks on regular basis and the required reconciliation is presented below:

For the year ended March 31, 2026

Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
March 31, 2026	Trade receivables	155.24	165.59	(10.35)	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more than 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/ statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	558.17	553.59	4.58	No significant variation.
	Other current assets	270.11	112.20	157.91	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.
December 31, 2025	Trade receivables	135.75	138.17	(2.42)	No significant variation.
	Inventories	429.88	424.71	5.17	No significant variation.
	Other current assets	230.22	95.08	135.14	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 16A : Borrowings (Contd..)

Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
September 30, 2025	Trade receivables	149.42	136.83	12.59	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more than 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/ statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	387.86	385.91	1.95	No significant variation.
	Other current assets	191.41	122.32	69.09	No significant variation.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 16A : Borrowings (Contd..)

For the year ended March 31, 2025

Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
June 30, 2025	Trade receivables	168.26	143.06	25.20	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more than 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/ statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	348.85	346.02	2.83	No significant variation.
	Other current assets	229.84	150.53	79.31	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.

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as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 16A : Borrowings (Contd..)

Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
March 31, 2025	Trade receivables	149.23	142.23	7.00	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more than 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/ statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	357.90	355.79	2.11	No significant variation.
	Other current assets	169.14	112.99	56.15	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities, etc have not been considered while reporting to the bank.
December 31, 2024	Trade receivables	139.14	130.76	8.38	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more than 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/ statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 16A : Borrowings (Contd..)

Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
	Inventories	365.88	334.11	31.77	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', and purchased inventory goods in transit based on terms of delivery, both pertaining to period end transactions, incorporated by the Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, Inventories include Yarn wastage stock and stores and spares stock have not been considered while reporting to the bank.
	Other current assets	588.83	165.19	423.64	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities, etc have not been considered while reporting to the bank.
September 30, 2024	Trade receivables	156.54	133.50	23.04	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. For calculating drawing power for book debts, revenue cut off adjustment and receivables aged more than 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/ statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
	Inventories	379.51	385.96	(6.45)	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', and purchased inventory goods in transit based on terms of delivery, both pertaining to period end transactions, incorporated by the Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, Inventories include Yarn wastage stock and stores and spares stock have not been considered while reporting to the bank.
	Other current assets	277.20	106.33	170.87	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
June 30, 2024	Trade receivables	158.06	142.73	15.33	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. For calculating drawing power for book debts, revenue cut off adjustment and receivables aged more the 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	390.38	387.01	3.37	No significant variation.
	Other current assets	333.76	142.73	191.03	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 16B : Lease liabilities

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Lease liabilities (refer note 43)	16.04	8.80	-	-
Total	**16.04**	**8.80**	**-**	**-**

Cash flow changes in liabilities arising from financing activities:

Particulars	Borrowings	Lease liabilities	Total
Net debt as at April 1, 2024	**218.81**	**-**	**218.81**
Cash flows	(89.82)	-	(89.82)
Unrealised exchange loss	0.24	-	0.24
Finance costs	17.94	-	17.94
Accrued interest on borrowings	0.06	-	0.06
Interest paid	(18.00)	-	(18.00)
As at March 31, 2025	**129.23**	**-**	**129.23**
Cash flows	230.89	-	230.89
Finance costs	32.85	1.70	34.55
Accrued interest on borrowings	(0.40)	-	(0.40)
Interest paid	(32.44)	(1.70)	(34.14)
Additions (leases)	-	29.44	29.44
Payment of lease liabilities	-	(4.60)	(4.60)
As at March 31, 2026	**360.13**	**24.84**	**384.97**

Note 17 : Provisions

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for gratuity (refer note 31)	11.25	3.72	8.72	2.66
Provision for compensated absences	-	0.29	-	0.26
Total	**11.25**	**4.01**	**8.72**	**2.92**

Disclosure for movement in provision for compensated absences:

Particulars	As at March 31, 2026	As at March 31, 2025
Provision at the beginning of the year	**0.26**	**0.25**
Created during the year (net)	0.44	0.43
Paid during the year	(0.41)	(0.42)
Provision at the end of the year	**0.29**	**0.26**

Note 18 : Deferred tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities arising on account of		
On timing difference between depreciation as per books and as per the Income-tax Act, 1961	99.53	84.59
Others	0.63	0.15
	100.16	**84.74**

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 18 : Deferred tax liabilities (net) (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets arising on account of		
Provisions for employee benefits	4.47	3.29
Deferred government grants	0.58	0.99
Allowance for expected credit loss	0.26	0.28
Impact of right-of-use assets and lease liabilities	3.18	-
Others	9.22	-
	17.71	**4.56**
Deferred tax liabilities (net)	**82.45**	**80.18**

Movement in deferred tax assets and deferred tax liabilities :

Particulars	As at April 1, 2024	Recognised in profit or loss	Recognised in OCI	Recognised through other items of balance sheet	As at March 31, 2025
Deferred tax liabilities arising on account of					
On timing difference between depreciation as per books and as per the Income-tax Act, 1961	79.44	5.15	-	-	84.59
Others	0.37	(0.22)	-	-	0.15
	79.81	**4.93**	**-**	**-**	**84.74**
Deferred tax assets arising on account of					
Provisions for employee benefits	2.93	0.28	0.08	-	3.29
Deferred government grants	0.26	0.73	-	-	0.99
Allowance for expected credit loss	0.47	(0.19)	-	-	0.28
	3.66	**0.82**	**0.08**	**-**	**4.56**
Total deferred tax liabilities (net)	**76.15**	**4.11**	**(0.08)**	**-**	**80.18**

Particulars	As at April 1, 2025	Recognised in profit or loss	Recognised in OCI	Recognised through other items of balance sheet	As at March 31, 2026
Deferred tax liabilities arising on account of					
On timing difference between depreciation as per books and as per the Income-tax Act, 1961	84.59	14.94	-	-	99.53
Others	0.15	0.48	-	-	0.63
	84.74	**15.42**	**-**	**-**	**100.16**
Deferred tax assets arising on account of					
Provisions for employee benefits	3.29	1.38	(0.20)	-	4.47
Deferred government grants	0.99	(0.41)	-	-	0.58
Allowance for expected credit loss	0.28	(0.02)	-	-	0.26
Impact of right-of-use assets and lease liabilities	-	3.18	-	-	3.18
Others	-	9.22	-	-	9.22
	4.56	**13.35**	**(0.20)**	**-**	**17.71**
Total deferred tax liabilities (net)	**80.18**	**2.07**	**0.20**	**-**	**82.45**

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
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Note 19 : Other liabilities

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Deferred government grants (refer note 39)	1.33	0.98	3.92	-
Contract liabilities (Revenue received in advance) (refer note 41)	-	3.99	-	7.39
Statutory dues payable	-	3.11	-	2.71
Other liabilities*	6.07	10.42	5.49	7.30
Total	**7.40**	**18.50**	**9.41**	**17.40**

*Other liabilities pertain to corporate guarantee liability and provision for corporate social responsibility (refer note 32(c) and note 36)

Note 20 : Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of		
micro enterprises and small enterprises	9.59	7.32
creditors other than micro enterprises and small enterprises *	578.52	356.21
Total	**588.11**	**363.53**

*Includes ₹ 222.03 Crores (March 31, 2025: ₹ 181.93 Crores) being amount payable to vendors secured against letter of credit.

Refer note 34 for information on liquidity risk and market risk.

Disclosure in respect of Micro, Small and Medium Enterprises ('MSME')

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosures in respect of the amounts payable to such enterprises as at the year end have been made based on information received and available with the Company and has been relied upon by the statutory auditors.

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	9.59	7.32
The amount of interest paid by the buyer under the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the year	0.02	0.02
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 20 : Trade payables (Contd..)

Trade payables ageing schedule

As at March 31, 2026

Particulars	Outstanding for following periods from date of invoice				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.45	0.14	-	-	9.59
(ii) Others	543.29	0.24	0.35	-	543.88
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Sub-total	**552.74**	**0.38**	**0.35**	**-**	**553.47**
Add: Unbilled dues (undisputed and related to creditors other than micro enterprises and small enterprises)					34.64
Total					**588.11**

As at March 31, 2025

Particulars	Outstanding for following periods from date of invoice				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	7.32	-	-	-	7.32
(ii) Others	332.55	2.03	-	-	334.58
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Sub-total	**339.87**	**2.03**	**-**	**-**	**341.90**
Add: Unbilled dues (undisputed and related to creditors other than micro enterprises and small enterprises)					21.63
Total					**363.53**

Note 21 : Other current financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued on borrowings	0.47	0.05
Employee related payables*	9.90	8.48
Derivative financial liability	-	0.66
Total	**10.37**	**9.19**

*Includes amount payable to related parties (refer note 32(c))

Refer note 34A for information on liquidity risk and market risk.

Refer note 34B for information on derivative financial instruments.

Notes to the Standalone Financial Statements

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Note 22 : Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	2,956.85	2,925.85
Sale of stock-in-trade	14.36	6.43
	2,971.21	**2,932.28**
Other operating revenue		
Export incentives	3.33	3.31
Sale of scrap	63.32	61.21
	66.65	**64.52**
Total	**3,037.86**	**2,996.80**

There is no customer individually contributing more than 10% of the revenue from operations.

Reconciliation of gross revenue with the revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contract price	2,988.14	2,948.57
Less: Discounts and rate differences	(16.93)	(16.29)
Net revenue recognised from operations	**2,971.21**	**2,932.28**

Refer note 41 on disclosures in accordance with Ind AS 115, 'Revenue from contracts with customers'.

Refer note 32(b) and 32(c) for transactions and balances, respectively, with related parties.

Note 23 : Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on financial assets at amortised cost		
Loan to subsidiary company (refer note 32(b))	10.38	0.01
Bank deposits	3.43	4.82
Others	3.04	2.36
Other non-operating income		
Profit on sale of mutual funds	0.67	5.18
Interest income on preference shares (fair value- debt component) (refer note 32(b))	25.93	11.54
Insurance claims	2.36	0.61
Liabilities / provisions no longer required, written back	0.00	0.51
Gain on disposal of property, plant and equipment (net)	4.51	0.11
Unwinding of interest on security deposits	0.09	-
Net gain on foreign currency transactions and translations	3.25	3.12
Guarantee commission income (refer note 32(b))	0.97	0.68
Total	**54.63**	**28.94**

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 24 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Finished goods*	80.50	84.52
Intermediate products	33.40	30.52
Work-in-progress	6.92	7.46
	120.82	**122.50**
Inventories at the beginning of the year		
Finished goods*	84.52	91.31
Intermediate products	30.52	28.85
Work-in-progress	7.46	7.50
	122.50	**127.66**
Changes in inventories	**1.68**	**5.16**
*inter-alia,includes changes in inventories of waste and scrap	0.11	0.02

Note 25 : Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages*	100.39	93.36
Contribution to provident fund and other funds (refer note 31(b))	3.24	3.16
Share-based payments to employees (refer note 45)	0.64	0.29
Staff welfare expenses	2.77	2.69
Total	**107.04**	**99.50**

*includes salaries to related parties amounting to ₹ 18.68 Crores (March 31, 2025: ₹ 18.10 Crores) (refer note 32(b))

Note 26 : Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense		
On financial liabilities measured at amortised cost		
on term loans	20.46	15.24
on cash credit facilities	5.31	1.13
on lease liabilities (refer note 43)	1.70	-
on others	7.08	1.57
Other borrowing costs (refer note 32(b))	0.48	0.32
Total	**35.03**	**18.26**

Note 27 : Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on PPE (refer note 3A)	45.43	44.45
Depreciation on right-of-use assets (refer note 3C)	2.79	-
Amortisation of intangible assets (refer note 4)	1.00	0.98
Total	**49.22**	**45.43**

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 28 : Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Manufacturing expenses		
Consumption of stores and packing materials	123.33	121.90
Repairs and maintenance		
Buildings	0.92	0.55
Plant and equipment	4.46	3.74
Other repairs and maintenance	1.03	1.17
Contract labour charges	74.79	68.92
Power and fuel	257.61	243.71
Other manufacturing expenses	4.99	4.17
Total manufacturing expenses (A)	**467.13**	**444.16**
(B) Selling expenses		
Commission expenses	11.55	11.27
Clearing and forwarding charges	0.85	1.69
Freight expenses	19.28	18.27
Other selling expenses	0.69	1.04
Total selling expenses (B)	**32.37**	**32.27**
(C) Administrative and other expenses		
Rates and taxes	2.18	1.65
Legal and professional charges	4.18	2.60
Electricity expenses	0.35	0.43
Insurance	4.23	3.63
Payment to auditor (refer note 37)	0.75	0.66
Security charges	3.07	3.08
Bank charges	7.88	6.95
Printing and stationery	0.11	0.10
Communication expenses	0.18	0.33
Travelling and conveyance	8.03	5.32
Effluent treatment plant and greenbelt environmental expenses	0.66	0.56
Rent*#	1.07	0.89
Software charges	1.22	0.72
Contribution towards corporate social responsibility (refer note 36)	4.05	5.78
(Reversal) for expected credit loss	(0.09)	(0.75)
Directors' sitting fees (refer note 32(b))	0.29	0.48
Miscellaneous expenses	1.71	1.46
Total administrative and other expenses (C)	**39.87**	**33.89**
Total other expenses (A + B + C)	**539.37**	**510.32**

*Pertains to rental for short-term leases (refer note 43).

#Includes rent paid to private company in which director is a director amounting to ₹ 0.24 Crores (March 31, 2025: ₹ 0.24 Crores) (refer note 32(b)) .

Note 29 : Tax expense

(a) Income-tax expense in the standalone statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax:		
Current tax on profit for the year	53.50	52.51
	53.50	**52.51**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	2.07	4.11
Total tax expense	**55.57**	**56.62**

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
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Note 29 : Tax expense (Contd..)

(b) Income-tax on other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax charge/(credit) in respect of current year origination and reversal of temporary differences	0.20	(0.08)
	0.20	**(0.08)**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit before income-tax	247.47	231.09
Applicable Indian statutory income-tax rate (in %)	25.168%	25.168%
Computed expected tax expense	62.28	58.16
Tax effect of amounts which are not deductible in calculating taxable income (net)	(6.71)	(1.54)
Income-tax expenses through the standalone statement of profit and loss	**55.57**	**56.62**

Note 30 : Earnings per share ('EPS')

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net profit attributable to equity shareholders	191.91	174.47
Weighted average number of shares		
Considered for calculating basic EPS (Number in Crores)	8.44	7.53
Add : Effect of dilutive potential equity shares arising from outstanding stock options (refer note below)	-	-
Considered for calculating diluted EPS (Number in Crores)	8.44	7.53
Nominal value of each share (in Rupees)	10.00	10.00
EPS		
Basic (in Rupees)	22.74	23.17
Diluted (in Rupees)	22.74	23.17

Note:

The effect of 295,947 potential equity shares arising from ESOP 2021 as at March 31, 2026 (March 31, 2025: 260,922) is dilutive. The effect of dilution is below the rounding off norm adopted by the Company.

Note 31 : Employee benefits

a) Defined benefit plan - gratuity

The Company operates one post-employment defined benefit plan i.e., gratuity. The plan (unfunded) is governed by the Payment of Gratuity Act, 1972 wherein employee who has completed continuous service of five years or more is eligible for gratuity on death, resignation, retirement or permanent disablement at 15 days salary (last drawn salary) for each completed year of service.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
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Note 31 : Employee benefits (Contd..)

The following tables summarise the components of net benefit expense recognised in the standalone statement of profit and loss, standalone other comprehensive income and the amounts recognised in the standalone balance sheet.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of the defined benefit obligation at the end of the year		
Non-current	11.25	8.72
Current	3.72	2.66
	14.97	**11.38**

Particulars	March 31, 2026	March 31, 2025
Change in the present value of the defined benefit obligation:		
Defined benefit obligation at the beginning of the year	11.38	10.01
Interest cost	0.77	0.72
Current service cost	1.43	1.15
Past service cost*	2.69	-
Benefits paid	(0.51)	(0.80)
Actuarial (gain)/ loss on obligation		
Actuarial (gain)/ loss from changes in financial assumptions	(3.00)	0.24
Experience adjustments	2.21	0.06
Defined benefit obligation at the end of the year	**14.97**	**11.38**
Amount recognised in the standalone balance sheet:		
Present value of defined benefit obligation at the end of the year	14.97	11.38
Expense recognised in standalone statement of profit and loss:		
Current service cost	1.43	1.15
Past service cost*	2.69	-
Interest cost	0.77	0.72
Net expense recognised in standalone statement of profit and loss	**4.89**	**1.87**

*Effective November 21, 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising of four Labour Codes - The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020. On the basis of information and guidance available up to the balance sheet date, the Company using actuarial valuation, has estimated and duly recorded the financial impact of the same in these financial statements.

(Income)/expense recognised in the standalone other comprehensive income:

Particulars	March 31, 2026	March 31, 2025
Actuarial (gain)/ loss on defined benefit obligation	(0.79)	0.30
	(0.79)	**0.30**

Actuarial assumptions used

Particulars	March 31, 2026	March 31, 2025
Discount rate (% per annum)	7.25%	6.75%
Salary growth rate (% per annum)	5.00%	5.00%

Demographic assumptions used

Particulars	March 31, 2026	March 31, 2025
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement age (in years)	60 years	60 years
Attrition rate (% per annum)	13.69%	13.69%
Average future service (in years)	22.50 years	22.90 years

Notes to the Standalone Financial Statements

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Note 31 : Employee benefits (Contd..)

These assumptions were developed by the management with the assistance of independent actuary. Discount rate is determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience. The estimate of salary growth rate considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Risk

Factor	Impact
Salary increases	Actual salary increase will increase the obligation. Increase in salary growth rate assumption in future valuations will also increase the obligation.
Discount rate	Reduction in discount rate in subsequent valuations can increase the obligation.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the obligation.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact the obligation.

Sensitivity analysis

The standalone financial statements are sensitive to the actuarial assumptions. The changes to the defined benefit obligation for increase / decrease of 1% from assumed salary growth rate, attrition rate and discount rate are given below. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit obligation at year end.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
Change in the defined benefit obligation	(0.64)	0.70	(0.51)	0.57
Salary growth rate				
Change in the defined benefit obligation	0.71	(0.66)	0.57	(0.53)
Attrition rate				
Change in the defined benefit obligation	0.05	(0.06)	0.03	(0.04)

The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

Sensitivities related to mortality are considered immaterial, therefore the impact of changes stemming from these factors has not been presented.

Maturity analysis of defined benefit obligation (discounted):

Particulars	As at March 31, 2026	As at March 31, 2025
Projected benefits payable in future years from the date of reporting		
One year	3.72	2.66
Two to five years	4.26	3.24
Five years and above	6.99	5.48

Notes to the Standalone Financial Statements

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Note 31 : Employee benefits (Contd..)

The weighted average duration of the defined benefit obligation at the end of the reporting year is 14 years (March 31, 2025: 15 years).

The Company expects to make a contribution of ₹ 1.73 Crores (March 31, 2025: ₹ 1.40 Crores) to the defined benefit plan during the next financial year.

b) Defined contribution plan

The Company has recognised following expenses in the standalone statement of profit and loss in respect of the defined contribution plans (refer note 25):

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employer's contribution to provident fund	3.23	3.15
Employer's contribution to Employees' State Insurance Scheme	0.01	0.01

The Company has certain defined contribution plans. Contributions are made to recognised provident fund administered by the government of India for employees @ 12.00% p.a. of their basic salary subject to mandatory maximum amount as per the regulations. The contribution of the Company is limited to the amount contributed and it has no further contractual obligation.

Note 32: Related party disclosures

In accordance with the requirement of Ind AS 24 'Related Party Disclosures', names of the related parties, their relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place have been furnished as follows:

a) List of related parties and nature of relationships:

Nature of relationship	Name of the related party
Subsidiary companies	Sanathan Polycot Private Limited
	Universal Texturisers Private Limited
Key managerial personnel ('KMP')	Paresh Dattani, Chairman and Managing Director
	Ajaykumar Dattani, Joint Managing Director
	Anilkumar Dattani, Executive Director
	Sammir Dattani, Executive Director (with effect from May 26, 2025)
	Dinesh Dattani, Executive Director (up to May 26, 2025)
Close members of KMP	Mikesh Dattani
	Aakash Dattani
	Sammir Dattani (up to May 26, 2025)
	Dinesh Dattani (with effect from May 26, 2025)
	Varun Dattani
	Beena Dattani
Independent directors	Debabrata Sarkar
	Khurshed Thanawalla
	Vinay Aggarwal
	Rupal Vora
Enterprise over which KMP are able to exercise significant influence	Nimbus Trust
	P&B Family Trust
	D&G Family Trust
	A&J Family Trust
	Dattani Foundation

Notes to the Standalone Financial Statements

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(All amounts in Rupees Crores, unless otherwise stated)

Note 32: Related party disclosures (Contd..)

Names above have been disclosed to the extent transactions have taken place.

b) Transactions during the year

Name of related parties	Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Subsidiary companies			
Sanathan Polycot Private Limited	Investments in preference shares (equity component)	104.22	418.75
Sanathan Polycot Private Limited	Investments in preference shares (fair value-debt component)	38.18	151.75
Sanathan Polycot Private Limited	Repayment of loans by subsidiary	261.45	14.85
Universal Texturisers Private Limited	Repayment of loans by subsidiary	0.03	0.35
Universal Texturisers Private Limited	Repayment of security deposit by subsidiary	0.20	-
Universal Texturisers Private Limited	Security deposit given	0.03	-
Sanathan Polycot Private Limited	Loan granted	442.83	14.85
Sanathan Polycot Private Limited	Sale of products	30.55	14.78
Sanathan Polycot Private Limited	Sale of assets	0.19	-
Universal Texturisers Private Limited	Rent expense	0.24	0.24
Universal Texturisers Private Limited	Interest income on loans	0.00	0.01
Sanathan Polycot Private Limited	Interest income on loans	10.38	0.02
Sanathan Polycot Private Limited	Interest income on preference shares (fair value-debt component)	25.93	11.54
Sanathan Polycot Private Limited	Purchase of raw materials and stock-in-trade	40.15	-
Sanathan Polycot Private Limited	Deemed investment in subsidiary	1.31	4.92
Sanathan Polycot Private Limited	Guarantee commission income	0.97	0.68
Sanathan Polycot Private Limited	Interest expense on corporate guarantee	0.48	0.32
ii) KMP			
Ajaykumar Dattani	Salaries, wages and bonus	4.00	4.00
Anilkumar Dattani	Salaries, wages and bonus	4.00	4.00
Paresh Dattani	Salaries, wages and bonus	4.00	4.00
Sammir Dattani	Salaries, wages and bonus (with effect from May 26, 2025)	3.33	0.90
Dinesh Dattani	Salaries, wages and bonus	0.30	1.60
iii) Independent directors			
Debabrata Sarkar	Directors' sitting fees	0.07	0.12
Khurshed Thanawalla	Directors' sitting fees	0.08	0.12
Vinay Aggarwal	Directors' sitting fees	0.07	0.12
Rupal Vora	Directors' sitting fees	0.07	0.12
iv) Close members of KMP			
Varun Dattani	Salaries, wages and bonus	1.00	1.00
Aakash Dattani	Salaries, wages and bonus	0.60	0.02
Sammir Dattani	Salaries, wages and bonus (up to May 26, 2025)	0.37	1.50
Mikesh Dattani	Salaries, wages and bonus	1.00	1.00
Beena Dattani	Salaries, wages and bonus	0.08	0.08

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Note 32: Related party disclosures (Contd..)

c) Balances outstanding at the year end:

Name of related parties	Nature of transactions	As at March 31, 2026	As at March 31, 2025
i) Subsidiary companies			
Sanathan Polycot Private Limited	Investments in equity shares	9.90	9.90
Sanathan Polycot Private Limited	Investments in preference shares (equity component)	725.33	621.11
Universal Texturisers Private Limited	Investments in equity shares	13.50	13.50
Sanathan Polycot Private Limited	Investments in preference shares (fair value-debt component)	323.70	259.59
Sanathan Polycot Private Limited	Deemed investment in subsidiary	7.18	5.87
Sanathan Polycot Private Limited	Corporate guarantee liability	6.07	5.49
Sanathan Polycot Private Limited	Trade receivables	1.02	0.66
Universal Texturisers Private Limited	Loan receivable	-	0.03
Sanathan Polycot Private Limited	Loan receivable	181.38	-
Universal Texturisers Private Limited	Security deposit	0.05	0.22
ii) KMP			
Ajaykumar Dattani	Employee related payables	0.26	0.19
Anilkumar Dattani	Employee related payables	0.20	0.20
Paresh Dattani	Employee related payables	0.20	0.20
Sammir Dattani	Employee related payables	0.20	-
Dinesh Dattani	Employee related payables	-	0.11
iii) Close members of KMP			
Varun Dattani	Employee related payables	0.06	0.06
Mikesh Dattani	Employee related payables	0.06	0.06
Sammir Dattani	Employee related payables	-	0.10
Aakash Dattani	Employee related payables	0.04	0.02
Beena Dattani	Employee related payables	0.00	0.01

Note: The corporate guarantee by the Company on behalf of its subsidiary has been provided for loans aggregating ₹ 1,500.00 Crores, out of which ₹ 1,163.18 Crores has been disbursed up to March 31, 2026 (March 31, 2025: ₹ 990.69 Crores).

d) Additional disclosure in respect of compensation to KMP

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Short-term employee benefits	15.63	14.50
(ii) Post-employment benefits	-	-
(iii) Other long-term benefits (refer note 1 below)	-	-
(iv) Termination benefits	-	-
(v) Share-based payment	-	-

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Note 32: Related party disclosures (Contd..)

Notes:

1. The remuneration to the KMP and close members of KMP does not include the provision made for gratuity, as gratuity for the Company is determined on an actuarial basis for the Company as a whole.
2. For personal guarantees and securities given by related parties, refer note 16A.
3. All the related party transactions are made on terms equivalent to those that prevail in an arm's length transaction.
4. The loan and security deposit receivable from subsidiary company are unsecured and are non-current in nature. Trade receivables are unsecured and are current in nature. Employee related payables are unsecured and due to be paid over next 12 months. All the payables to / receivables from related parties are due to be settled in cash.
5. The Company has given guarantee for the term loan facilities availed by one of the subsidiary companies, as detailed under note 44(iii).
6. There are no commitments with any related party, during the year and as at year end, except for 5 above.

Note 33 : Financial instruments

i) Fair values hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113, 'Fair Value Measurements'.

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are based on observable market data (unobservable inputs).

Financial assets measured at fair value - recurring fair value measurements

Particulars	Level 1	Level 2	Level 3	Total
March 31, 2026				
Financial assets				
Measured at FVTPL				
Investments in preference shares (fair value-equity portion)	-	725.33		725.33
Foreign exchange forward contracts	-	4.36	-	4.36
Measured at amortised cost				
Investment in preference shares (fair value-debt portion)	-	323.70		323.70
March 31, 2025				
Financial assets				
Measured at FVTPL				
Investments in preference shares (fair value-equity portion)	-	621.11		621.11
Measured at amortised cost				

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Note 33 : Financial instruments (Contd..)

Particulars	Level 1	Level 2	Level 3	Total
Investment in preference shares (fair value-debt portion)	-	259.59		259.59
Financial liabilities				
Measured at FVTPL				
Foreign exchange forward contracts	-	0.66	-	0.66

ii) Valuation techniques used to determine fair value

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods were used to estimate the fair values:

- Investment in preference shares : Fair value is calculated using a discounted cash flow model with market assumptions.
- Other non-current financial assets and liabilities including lease liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to be approximate to their fair value.
- Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Borrowings taken by the Company are as per the Company's credit and liquidity risk assessment and there is no comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the borrowings represents the best estimate of its fair value.
- Lease liabilities: Lease liabilities are initially recognised at the present value of the future lease payments discounted using the incremental borrowing rates, which is considered to be approximate to the fair value.
- Derivative financial assets and liabilities: The Company enters into derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are determined using forward exchange rates at the reporting date.

Fair value of assets and liabilities which are measured at amortised cost for which fair value are disclosed:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets (other than investments in equity shares)				
Loans	181.38	181.38	0.03	0.03
Investments in preference shares (equity portion)*	725.33	725.33	621.11	621.11
Investments in preference shares (fair value-debt portion)	323.70	323.70	259.59	259.59
Trade receivables	154.21	154.21	148.11	148.11
Cash and cash equivalents	2.07	2.07	10.10	10.10
Bank balances other than cash and cash equivalents	86.60	86.60	48.74	48.74
Other financial assets	9.45	9.45	4.20	4.20

Notes to the Standalone Financial Statements

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Note 33 : Financial instruments (Contd..)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Borrowings	360.13	360.13	129.23	129.23
Lease liabilities	24.84	24.84	-	-
Trade payables	588.11	588.11	363.53	363.53
Other financial liabilities	10.37	10.37	8.53	8.53

* For financial assets and liabilities that are measured at fair value, the carrying values are considered equal to the fair values.

iii) There have been no transfers amongst the levels of fair value hierarchy during the year.

Note 34 : Financial risk management

A) Financial risk management

i) Financial instruments by category

Particulars	As at March 31, 2026			As at March 31, 2025		
	At cost	FVTPL	Amortised cost	At cost	FVTPL	Amortised cost
Financial assets (other than investments in equity shares)						
Loans	-	-	181.38	-	-	0.03
Investments in preference shares (equity portion)	725.33	-	-	621.11	-	-
Investments in preference shares (fair value-debt portion)	-	-	323.70	-	-	259.59
Trade receivables	-	-	154.21	-	-	148.11
Cash and cash equivalents	-	-	2.07	-	-	10.10
Bank balances other than cash and cash equivalents	-	-	86.60	-	-	48.74
Derivative financial asset		4.36	-	-	-	-
Other financial assets	-	-	5.09	-	-	4.20
Total	**725.33**	**4.36**	**753.05**	**621.11**	**-**	**470.77**
Financial liabilities						
Borrowings	-	-	360.13	-	-	129.23
Lease liabilities	-		24.84	-	-	-
Trade payables	-	-	588.11	-	-	363.53
Derivative financial liability	-	-	-	-	0.66	-
Other financial liabilities	-	-	10.37	-	-	8.53
Total	**-**	**-**	**983.45**	**-**	**0.66**	**501.29**

Notes:

a) The carrying value of trade receivables, cash and cash equivalents, loans, other bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.

b) The carrying value of borrowings, lease liabilities, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of their respective fair value.

ii) Financial risk management

The Company's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
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Note 34 : Financial risk management (Contd..)

The risk assessment, management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the relevant Committee is responsible for overseeing the Company's risk assessment and management policies and processes. The Company's financial risk management policy is set by the management.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base and credit limits
Liquidity risk	Borrowings, trade payables, lease liabilities and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Borrowings taken at floating rates
Market risk - foreign exchange	Receivables and payables in other than functional currency	Sensitivity analysis	Hedging through forward contracts
Market risk - price risk	Investment in mutual funds	Sensitivity analysis	Portfolio diversification

a) Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, financial guarantee contracts as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of allowance for expected credit loss for trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers. Also, forward-looking information is also incorporated into expected credit losses, including the use of macroeconomic information.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The Company has limited history of customer default, and considers the credit quality of trade receivables for evaluation of allowance for expected credit loss.

The credit risk on liquid funds such as balance in current and deposit accounts with banks is limited because the counterparties are banks with high credit-ratings.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
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Note 34 : Financial risk management (Contd..)

Credit risk exposure

i) **Expected credit loss on trade receivables under simplified approach**

As at March 31, 2026	0-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due	Total
Trade receivables	125.36	14.61	5.61	9.66	155.24
Allowance for expected credit loss	0.20	-	0.01	0.82	1.03
Carrying amount of trade receivables	**125.16**	**14.61**	**5.60**	**8.84**	**154.21**
Expected credit loss rate	**0.16%**	**0.00%**	**0.09%**	**8.54%**	**0.66%**

As at March 31, 2025	0-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due	Total
Trade receivables	118.29	16.79	2.23	11.92	149.23
Allowance for expected credit loss	0.29	0.01	0.02	0.80	1.12
Carrying amount of trade receivables	**118.00**	**16.78**	**2.21**	**11.12**	**148.11**
Expected credit loss rate	**0.25%**	**0.06%**	**0.90%**	**6.71%**	**0.75%**

ii) **Expected credit loss for other financial assets**

As at March 31, 2026	Amount	Expected credit loss	Carrying amount net of allowance
Loans	181.38	-	181.38
Investments	1,079.61	-	1,079.61
Cash and cash equivalents	2.07	-	2.07
Bank balances other than cash and cash equivalents	86.60	-	86.60
Other financial assets	9.45	-	9.45

As at March 31, 2025	Amount	Expected credit loss	Carrying amount net of allowance
Loans	0.03	-	0.03
Investments	909.97	-	909.97
Cash and cash equivalents	10.10	-	10.10
Bank balances other than cash and cash equivalents	48.74	-	48.74
Other financial assets	4.20	-	4.20

b) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity

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Note 34 : Financial risk management (Contd..)

profiles of financial assets and liabilities and by monitoring rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The tables below provides details regarding the contractual maturities of financial liabilities into relevant maturity groupings:

As at March 31, 2026	On demand	Up to one year	One to five years	More than five years	Total
Non-derivatives					
Borrowings	99.50	50.05	209.90	0.68	360.13
Lease liabilities	-	10.76	17.39	-	28.15
Trade payables*	-	588.11	-	-	588.11
Other financial liabilities	-	10.37	-	-	10.37
Total non-derivative financial liabilities	**99.50**	**659.29**	**227.29**	**0.68**	**986.76**

*Trade payables are generally non-interest bearing and are normally settled in line with respective industry norms.

As at March 31, 2025	On demand	Up to one year	One to five years	More than five years	Total
Non-derivatives					
Borrowings	95.91	1.53	15.30	16.49	129.23
Lease liabilities	-	-	-	-	-
Trade payables*	-	363.53	-	-	363.53
Other financial liabilities	-	8.53	-	-	8.53
Total non-derivative financial liabilities	**95.91**	**373.59**	**15.30**	**16.49**	**501.29**

* Trade payables are generally non-interest bearing and are normally settled in line with respective industry norms.

Financial guarantees

The Company has issued financial guarantee to banks on behalf of and in respect of loan facilities availed by one of its subsidiaries. The exposure towards financial guarantee amounts to ₹ 1,163.18 Crores (March 31, 2025: ₹ 990.69 Crores). The Company does not expect any loss allowance on such financial guarantee contracts. Financial guarantees are assumed to be due immediately on invocation.

c) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk- sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short term and long-term debt. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade payables, trade receivables, loans, investments, derivative financial instruments and other financial instruments. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities.

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's foreign exchange risk arises from its foreign currency borrowings, trade receivables and trade payables denominated in foreign currencies. The results of the Company's operations can be affected as the Indian Rupees ('INR') is volatile against foreign currencies. The Company enters into derivative financial instruments such

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Note 34 : Financial risk management (Contd..)

as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and also inherent hedging as it is engaged in the export of manufactured products. The Company has a treasury team which monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Company.

The following table sets forth information relating to foreign currency exposure

Particulars	As at March 31, 2026		As at March 31, 2025	
	Foreign currency (in units)	Rupees (in crores)	Foreign currency (in units)	Rupees (in crores)
Liabilities				
Borrowings *				
- EURO	-	-	8,66,602	8.00
Trade payables				
- United States Dollar ('USD')	1,07,75,839	102.00	75,88,898	64.95
- EURO	2,59,531	2.83	6,38,632	5.90
- Japanese Yen ('JPY')	4,95,48,800	2.94	6,75,24,000	3.94
- Swiss Franc ('CHF')	1,23,050	1.46	-	-
Assets				
Trade receivables				
- USD	13,75,426	13.02	15,33,122	13.12
Bank balance				
- USD	2,02,085	1.91	1,97,992	1.69

The abovementioned exposure is unhedged.

* Amounts are exclusive of EIR impact as per Ind AS 109 'Financial Instruments'

Foreign currency sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in different foreign exchange rates with INR, with all other variables held constant. The impact on the Company's standalone profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Impact on standalone statement of profit and loss/ equity March 31, 2026		Impact on standalone statement of profit and loss/ equity March 31, 2025	
5% movement	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
On foreign currency assets and liabilities (net)				
- USD	(4.35)	4.35	(2.51)	2.51
- EURO	(0.14)	0.14	(0.69)	0.69
- JPY	(0.15)	0.15	(3.25)	3.25
- CHF	(0.07)	0.07	-	-

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Note 34 : Financial risk management (Contd..)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

a. Interest rate risk exposure

The exposure of Company's borrowing to interest rate changes at the end of the reporting year are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Floating rate instruments:		
Borrowings	328.36	129.23

b. Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for borrowings at the end of the reporting year and the stipulated change taking place at the beginning of the year and held constant throughout the reporting year in case of borrowings that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective year and consequent effect on Company's standalone profit or loss before tax and equity in that year would have been as below:

Particulars	Impact on profit before tax/ equity	
	March 31, 2026	March 31, 2025
Floating rate instruments:		
50 basis points increase	(1.64)	(0.65)
50 basis points decrease	1.64	0.65

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(iii) Price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. The Company did not have any such investments as at March 31, 2026 and March 31, 2025.

B) Derivative financial instruments (designated as derivative instrument):

The Company holds derivative financial instrument i.e., foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs which are directly or indirectly observable in the marketplace.

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Note 34 : Financial risk management (Contd..)

The following table gives details in respect of outstanding foreign exchange forward contracts:

Particulars	Buy / sell	As at March 31, 2026	
		Foreign currency (in units)	Fair value (in ₹ Crores)
Foreign currency forward contracts in - USD	Buy	2,10,43,719	200.01

Particulars	Buy / sell	As at March 31, 2025	
		Foreign currency (in units)	Fair value (in ₹ Crores)
Foreign currency forward contracts in - USD	Buy	63,43,922	54.29

Note 35 : Capital management

The Company's objective while managing capital is to safeguard its ability to continue as a going concern, maintain an optimal and efficient capital structure and reduce the cost of capital.

The management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Company is not subject to externally imposed capital requirements.

The Company has complied with debt covenants as per the terms of the borrowing facility arrangements. The Company manages its capital requirements by overseeing the gearing ratio.

Particulars	As at March 31, 2026	As at March 31, 2025
Debt (excluding accrued interest)#	384.97	129.23
Total equity	2,030.50	1,833.13
Gearing ratio (in %)	**18.96%**	**7.05%**

#Debt includes non-current borrowings, current borrowings and lease liabilities.

Note 36 : Corporate social responsibility ('CSR')

As per section 135 of the Act, and rules thereunder, the Company is required to spend at least 2% of its average net profits computed in accordance with section 198 of the Act for three immediately preceding financial years towards CSR activities. The Company has formulated a CSR committee as per the Act. The funds are utilised on the activities which are specified in Schedule VII to the Act. Details of CSR expenditure are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a. Gross amount required to be spent by the Company pursuant to section 135(5) of the Act	4.05	5.78
b. Amount of expenditure incurred :		
(i) Contribution made towards medical treatment of patients from economically weaker sections of the society	0.05	0.70
(ii) Expenditure incurred towards environmental sustainability initiatives	0.10	-
(iii)Others	0.17	0.03
Total	**0.32**	**0.73**
c. Shortfall as at the year end out of the amount required to be spent by the Company during the year	3.73	5.05
d. Shortfall as at the year end out of the amount required to be spent by the Company during the previous years	7.30	4.62

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as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 36 : Corporate social responsibility ('CSR') (Contd..)

Provision for CSR expenditure:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
At the beginning of the year	7.30	4.62
Add: Shortfall during the year	3.73	5.05
Add: Interest earned on unspent CSR funds during the year	0.45	-
Less: Paid during the year*	(1.06)	(2.37)
At the end of the year	**10.42**	**7.30**

*Includes ₹ 0.21 Crores paid from current account which are other than earmarked funds for CSR.

Note:

The Company identifies on continuous basis the activities where the amount of CSR needs to be spent, and until such time the amount of shortfall has been transferred to scheduled bank accounts as required under section 135(6) of the Act.

Note 37 : Payment to auditor (excluding goods and service tax, as applicable)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor	0.72	0.63*
For reimbursement of expenses	0.03	0.03
	0.75	**0.66**

*Excludes ₹ 1.83 Crores paid to the statutory auditor towards deliverables pertaining to the initial public offer.

Note 38 : Contingent liabilities and commitments

i) Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
a) Central excise matters	5.08	5.08
b) Income-tax matters (refer note 4 below)	1.48	2.38
c) Goods and service tax matters	-	0.47
d) Sales tax matters	0.22	0.22

Notes:

1. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

2. The amounts disclosed above represent the best possible estimates arrived at on the basis of available information and does not include penalty, if any.

3. The Company is contesting all of the above demands and the management believes that its positions are likely to be upheld at the appellate stage. The management believes that the ultimate outcome of these proceedings are not expected to have a material impact on the Company's standalone financial statements and hence no provisions have been made in this regard.

4. An amount of ₹ 0.11 Crores (March 31, 2025: ₹ 0.16 Crores) has been paid under protest towards income-tax matters.

ii) Commitments

Commitments of capital nature as at the reporting date amounts to ₹ 38.74 Crores (March 31, 2025: ₹ 2.97 Crores), in addition to the commitment towards export obligation stated under note 39, 'Government grants'.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 39 : Government grants

The disclosures pursuant to Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' are as follows:

Particulars	March 31, 2026	March 31, 2025
Deferred government grants at beginning of the year	3.92	1.04
Government grant received during the year	-	4.48
Government grant offered to standalone statement of profit and loss during the year	(1.61)	(1.60)
Deferred government grants as at the end of the year	**2.31**	**3.92**
Current	0.98	-
Non-current	1.33	3.92

Notes:

Government grants relating to PPE pertain to duty saved on import of capital goods and spares under the Export Promotion Capital Goods scheme. Under this scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods and spares over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

The primary conditions attached to the aforementioned grants is the fulfilment of export obligations, and thus, the grant is recognised in the standalone statement of profit and loss to the extent such obligations have been fulfilled.

Pending export obligations attached to above grants as at March 31, 2026 amounts to ₹ 13.86 Crores (March 31, 2025: ₹ 23.53 Crores).

Note 40 : Segment reporting

(a) Operating segment

Ind AS 108, 'Operating Segments' establishes standards for the way that business enterprises report information about operating segments and related disclosures about revenue, geographic areas and major customers. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker ('CODM') monitors and reviews the operating results of the Company as one segment i.e., 'Yarn manufacturing'. Since the entire business falls within a single operational segment, these standalone financial statements are reflective of the information required by Ind AS 108.

(b) Geographical segment

(i) Revenue from operations disaggregated based on geography

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
India	2,928.46	2,888.12
Outside India	109.40	108.68
Revenue from operations	**3,037.86**	**2,996.80**

Note: Considering the nature of business in which the Company operates, the Company deals with various customers across multiple geographies. None of the geographies outside India contribute materially to the revenue of the Company.

(ii) Non-current assets based on geography (location of assets)

Particulars	As at March 31, 2026	As at March 31, 2025
India	2,150.20	1,768.11
Outside India	3.53	3.41
Segment assets	**2,153.73**	**1,771.52**
Unallocable	2.12	7.04
Total non-current assets	**2,155.85**	**1,778.56**

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 41 : Revenue from operations

The performance obligation of the Company is satisfied at a point in time.

(a) Performance obligation

Revenue from sale of products and stock-in-trade

Revenue from sale of products and stock-in-trade is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the goods which is generally on dispatch of products or on delivery of products in case of domestic sales, and on delivery in case of export sales.

(b) Revenue from contract with customers

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	2,956.85	2,925.85
Sale of stock-in-trade	14.36	6.43
	2,971.21	**2,932.28**

(c) The following is the break up of the Company's revenue (including other operating revenue) from its products

Product	For the year ended March 31, 2026	For the year ended March 31, 2025
Polyester yarn products	2,362.96	2,305.63
Cotton yarn products	565.03	566.25
Industrial and technical textile yarns	109.87	124.92
	3,037.86	**2,996.80**

(d) Trade receivables

The outstanding balance of trade receivables after considering allowance for expected credit loss are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Trade receivables	154.21	148.11	125.39

(e) Contract balances

The information about contract liabilities from contract with customers is presented in note 19.

(f) Significant changes in the contract balances during the year are as follows:

Contract liabilities - Revenue received in advance

Particulars	March 31, 2026	March 31, 2025
Balance at the beginning of the year	7.39	6.85
Add: Addition during the year	3.99	7.39
Less: Amount of revenue recognised during the year	(7.39)	(6.85)
Balance at the end of the year	**3.99**	**7.39**

The aggregate amount of transaction price allocated to the performance obligations (yet to be completed) as at year end is ₹ 3.99 Crores (March 31, 2025: ₹ 7.39 Crores). This balance represents the advance received from customers (gross) against sale of products. The management expects to further bill and collect the remaining balance of total consideration within next 12 months. These balances will be recognised as revenue in subsequent year as per the policy of the Company.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 41 : Revenue from operations (Contd..)

(g) Revenue from sale of products and stock-in-trade does not include any significant financing component. Customers are required to pay interest if the payment is made after the contractual due date.

(h) Refer note 40(b) for geographical disaggregation of revenue.

(i) The Company does not have any significant obligations for returns or refunds.

Note 42 : Disclosure of ratios

Type of ratio	Formula for computation	Measure (in times / percentage)	March 31, 2026	March 31, 2025
(a) Current ratio	Current asset / Current liabilities	Times	1.26	1.38
(b) Debt-equity ratio	Debt / Net worth	Times	0.19	0.07
(c) Debt service coverage ratio	Earnings available for debt service / (Finance costs+ payment for lease liabilities + principal repayments of borrowings)	Times	2.66	11.55
(d) Return on equity ratio	Profit for the year / Average net worth	Percentage	9.93%	11.19%
(e) Inventory turnover ratio	Cost of goods sold / Average inventory	Times	4.89	6.01
(f) Trade receivable turnover ratio	Revenue from operations / Average gross trade receivables	Times	19.96	21.68
(g) Trade payable turnover ratio	Net purchases / Average trade payables	Times	5.12	5.72
(h) Net capital turnover ratio	Revenue from operations / Working capital	Times	15.01	16.23
(i) Net profit ratio	Profit for the year / Revenue from operations	Percentage	6.32%	5.82%
(j) Return on capital employed	EBIT / Capital employed	Percentage	11.43%	12.21%
(k) Return on investment	Profit before tax / Total assets	Percentage	7.89%	9.42%

Notes:

1 Debt = Non-current borrowings + Current borrowings + Lease liabilities

2 Net worth = Paid-up share capital + Reserves created out of profits

3 Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + interest - other adjustments like loss non-cash notional income/expenses

4 Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress

5 Net purchases = Purchase of stock-in-trade + Cost of materials consumed + Consumption of stores and packing materials + inventory at the end of the year - inventory at the beginning of the year

6 Working capital = Current assets - Current liabilities

7 EBIT = Earnings before interest and tax

8 Capital employed = Total tangible net worth+ Total debt + Deferred tax liabilities

Disclosure for change in ratio by more than 25%:

Type of ratio	Variation in ratio between March 31, 2026 and March 31, 2025	Reasons for variance
(a) Current ratio	(9%)	Refer note below
(b) Debt-equity ratio	169%	Variation is primarily owing to increaase in long-term borrowings and lease liabilities during the year.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 42 : Disclosure of ratios (Contd..)

Type of ratio	Variation in ratio between March 31, 2026 and March 31, 2025	Reasons for variance
(c) Debt service coverage ratio	(77)%	Variation is primarily owing to increase in repayment of borrowings and lease liabilities and increased finance cost during the year.
(d) Return on equity ratio	(11)%	Refer note below
(e) Inventory turnover ratio	(19)%	Refer note below
(f) Trade receivable turnover ratio	(8)%	Refer note below
(g) Trade payable turnover ratio	(10)%	Refer note below
(h) Net capital turnover ratio	(7)%	Refer note below
(i) Net profit ratio	9%	Refer note below
(j) Return on capital employed	(6)%	Refer note below
(k) Return on investment	(16)%	Refer note below

Note: Since the change in ratio is less than 25%, no explanation is required to be furnished.

Note 43 : Leases

The Company's leases consists of leases of machineries, including machines which were sold and leased back from the lessor. In the standalone statement of profit and loss, the nature of expenses in respect of these leases are recognised as interest on lease liability and depreciation of right-of-use assets.

The Company's leased assets also consist of leases for staff quarters and offices, having varied lease terms with non-cancellable period not exceeding 12 months. The Company has elected recognition exemption for short-term leases and therefore, the lease payments related to such arrangements are charged to the standalone statement of profit and loss under the head 'Rent' included in other expenses.

The disclosures required in accordance with Ind AS 116, 'Leases' are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation charge of right-of-use-assets	2.79	-
Interest expense on lease liabilities	1.70	-
Expenses relating to short-term leases	1.07	0.89
Total cash outflow for leases		
- Leases for which lease liability is measured in accordance with Para 27 of Ind AS 116	6.30	-
- Others	1.07	0.89
Additions to ROU assets	15.01	-

The Company has discounted lease payments using the incremental borrowing rate of 10.25% p.a. for these leases.

Following are the carrying amounts of lease liabilities and right-of-use assets

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities		
- Current	8.80	-
- Non-current	16.04	-
Right-of-use assets	12.22	-

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 43 : Leases (Contd..)

Lease commitments for short-term leases as at March 31, 2026 amounts to ₹ 0.62 Crores (March 31, 2025: ₹ 0.60 Crores).

Further, the Company has not entered into any lease arrangement of low-value assets and did not generate income from subleasing right-of-use assets.

The maturity analysis of lease liabilities is presented under note 34A(b).

Particulars of sale and leaseback transaction entered during the year:

The Company entered into a sale and leaseback arrangement in respect of two machineries by selling these machineries for a total consideration of ₹ 25.00 Crores and leasing them back for a period of 3 years with quarterly lease payments amounting ₹ 2.60 Crores.

Accordingly, the aforesaid transaction has been accounted for in accordance with paragraphs 98–103 of Ind AS 116, 'Leases'. The Company has recognised a right-of-use assets measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company and a corresponding lease liability measured at the present value of future lease payments, discounted using the Company's incremental borrowing rate.

The Company has recognised a gain on such sale and leaseback amounting to ₹ 4.55 Crores, which represents only the portion of the gain attributable to the rights transferred to the buyer-lessor. Cash outflow towards payment of these leases during the year ended March 31, 2026 amounts to ₹ 6.13 Crores (March 31, 2025: Nil).

Note 44 : Disclosure required under section 186(4) of the Act

i) Loans

Unsecured loan

Name of the borrower	Rate of interest (in %)	Due date of repayment	Loan given during the year	As at March 31, 2026	As at March 31, 2025
Sanathan Polycot Private Limited	10.25% p.a.	3 year from date of drawdown	442.83	181.38	-
Universal Texturisers Private Limited	6.25% p.a.	September 29, 2031	-	-	0.03

Note:

The loans are granted for general business purpose.

ii) Investments*

Name of the subsidiary companies	Amount invested during the year	As at March 31, 2026	As at March 31, 2025
Sanathan Polycot Private Limited	142.40	1,012.30	869.90
Universal Texturisers Private Limited	-	13.50	13.50

* Amounts are exclusive of impact as per Ind AS 109, 'Financial instruments'.

iii) Guarantees

The Company has given guarantee in respect of loans obtained by one of its subsidiary companies, Sanathan Polycot Private Limited. These loans have been availed by the subsidiary company towards capital expenditure and general corporate purposes. The amount of loan as at year end amounts to ₹ 1,163.18 Crores (March 31, 2025: ₹ 990.69 Crores).

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 45 : Share-based payments

Equity settled share-based payments

The members of the Company had approved the Employee Stock Option Plan, 2021 ('ESOP 2021') at the Annual General Meeting held on November 25, 2021. The plan envisaged the grant of options to eligible employees. The holder of each option is eligible for one fully paid up equity share of the Company. According to the scheme, the employees selected by the Nomination and Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions.

During the current year, the Company has also granted options to employees of its wholly owned subsidiary. Accordingly, such grants are accounted for as group share-based payment transactions in accordance with Ind AS 102, 'Share-based Payment'. The Company recognises the share-based payment expense for such grants with a corresponding increase in investment in the subsidiary. The Company has an obligation to settle the share-based payment arrangement of the subsidiary and therefore accounts for the same as an equity-settled plan.

Modification of ESOP 2021

On April 22, 2025 the Nomination and Remuneration Committee ("NRC") of the Company approved a modification to the ESOP 2021, involving the repricing of outstanding stock options granted during the year ended March 31, 2022.

The aforesaid modification was undertaken with the objective of aligning the interests of employees with those of the management and shareholders. The repricing was subsequently ratified by the shareholders of the Company through a special resolution passed via postal ballot on April 07, 2025.

Pursuant to the said modification, the exercise price of the eligible outstanding options was revised to ₹ 426.15 per option.

In accordance with Ind AS 102, 'Share-based Payment', the Company has accounted for the modification by recognising the incremental fair value, being the excess of the fair value of the modified option over the fair value of the original option immediately before the modification date, over the remaining vesting period.

A summary of general terms (modified) of grants under ESOP 2021 are as follows:

Tranch 1

Grant date	December 10, 2021
Number of options granted	322,000
Vesting period (in years)	Over the period of 4 years
Vesting 1	15 % of the options will vest from the end of 2.5 years from date of grant (i.e. June 30, 2024)
Vesting 2	20 % of the options will vest from the end of 3.5 years from date of grant (i.e. June 30, 2025)
Vesting 3	25 % of the options will vest from the end of 4.5 years from date of grant (i.e. June 30, 2026)
Vesting 4	40 % of the options will vest from the end of 5.5 years from date of grant (i.e. June 30, 2027)
Exercise period (in years)	2 years from the date of vesting
Exercise price per option (₹)	426.15

Tranch 2

Grant date	April 22, 2025
Number of options granted	81,500
Vesting period (in years)	Over the period of 4 years
Vesting 1	15 % of the options will vest from the end of 1.2 years from date of grant (i.e. June 30, 2026)
Vesting 2	20 % of the options will vest from the end of 2.2 years from date of grant (i.e. June 30, 2027)

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 45 : Share-based payments (Contd..)

Vesting 3	25 % of the options will vest from the end of 3.2 years from date of grant (i.e. June 30, 2028)
Vesting 4	40 % of the options will vest from the end of 4.2 years from date of grant (i.e. June 30, 2029)
Exercise period (in years)	2 years from the date of vesting
Exercise price per option (₹)	426.15

The details of activity under the ESOP 2021 plan is summarised below:

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of options	* WAEP (₹)	No. of options	* WAEP (₹)
Outstanding at the beginning of the year	2,43,259	550.00	2,75,000	550.00
Granted during the year	81,500	426.15	-	-
Forfeited during the year	32,569	426.15	31,741	550.00
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,92,190	426.15	2,43,259	550.00
Exercisable at the end of the year	76,367	426.15	36,489	550.00

* WAEP denotes weighted average exercise price of the option

The weighted average fair value of options outstanding as at the year end for Tranch 1 is ₹ 150.15 (March 31, 2025: ₹ 113.90) and for Tranch 2 is ₹ 178.02 (March 31, 2025: Nil) for each option. The weighted average of remaining contractual life of options outstanding for Tranch 1 is 2.15 years (March 31, 2025: 3.15 years) and for Tranch 2 is 4.15 years (March 31, 2025: Nil).

The fair value of the options granted at the grant date has been calculated as per the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Particulars	Tranch 1 (Original terms)	Tranch 1 (Modified terms)	Tranch 2
Risk-free interest rate (% per annum)			
Vesting 1	4.98%	5.31%	5.74%
Vesting 2	5.66%	5.44%	5.85%
Vesting 3	5.99%	5.74%	6.00%
Vesting 4	6.07%	5.85%	6.01%
Expected life of options (in years)	2.5 years to 5.5 years	0.2 to 3.2 years	2.2 years to 5.2 years
Expected volatility (% per annum)			
Vesting 1	50%	42%	35%
Vesting 2	45%	36%	41%
Vesting 3	42%	35%	47%
Vesting 4	47%	41%	56%
Expected dividends yield (% per annum)	0%	0%	0%
Weighted average share price (₹)	363.00	411.20	411.20
Exercise price (₹)	550.00	426.15	426.15

Volatility : Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the year.

Risk free rate : The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 45 : Share-based payments (Contd..)

Expected life of the options : Expected life of the options is the period for which the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company has calculated expected life as the average of the minimum and the maximum life of the options.

Dividend yield : Expected dividend yield has been calculated by dividing the last declared dividend per share by the share price as on the date of grant.

There are no cash-settled share based payment arrangements.

The Company has not recovered any amount from the subsidiary in respect of such share-based payments.

Note 46 : Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting software for maintaining all accounting records which has a feature of recording audit trail (edit log) facility and such feature was enabled at the application level. The database of the said software is operated by a third-party software service provider and the availability of audit trail (edit logs) are not covered in the 'Independent Service Auditor's Assurance Report on the design and operation of controls' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation) at database level.

Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Note 47 : Other statutory information

A The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B The Company has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C The Company does not have any transactions and outstanding balances during the current as well previous year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

D The Company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Further, no proceedings have been initiated or pending against the Company for holding any benami property under the Act and rules mentioned above.

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

Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 47 : Other statutory information (Contd..)

F The Company does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as search or survey or any other relevant provisions of the Income-tax Act, 1961).

G The Company has not traded or invested in crypto currency or virtual currency during the current year and previous year.

H The Company has complied with the number of layers prescribed under section 2(87) of the Act.

I The Company have not revalued its PPE and intangible assets during the current year and previous year.

J The Company covered under the Act has not entered into any scheme of arrangement in terms of section 230 to 237 of the Act during the current year and previous year.

K The Company has not granted any loan or advance in the nature of loan, during the current year, to promoters, directors, KMPs or other related parties, either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment. Also, no such loan or advance in nature of loan is outstanding as at the reporting date.

L There are no charges or satisfaction which are yet to be registered with Registrar of Companies during the current year.

Note 48 : Issue of shares pursuant to Initial Public Offer

During the year ended March 31 2025, the Company had completed the Initial Public Offering ('IPO') of 17,133,956 equity shares of face value of ₹ 10 each at an issue price of ₹ 321 per equity share (including share premium of ₹ 311 per equity share), comprising of offer for sale of 4,672,897 equity shares by selling shareholders and fresh issue of 12,461,059 equity shares. The equity shares of the Company were listed both on the National Stock Exchange of India Limited and BSE Limited on December 27, 2024. As at March 31 2025, the Company had duly utilised the IPO proceeds as per the utilisation plan disclosed in the offer document.

Note 49 : Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year classifications / disclosures. However, the impact of such regroupings / reclassifications is not material to the standalone financial statements.

This is the notes to the standalone financial statements including material accounting policy information and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15, 2026

Independent Auditor's Report

To
The Members of
Sanathan Textiles Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Sanathan Textiles Limited** (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), as listed in **Annexure I**, 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 Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2026, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of inventories Refer note 2.5(xii) to the accompanying consolidated financial statements for the material accounting policy information on inventories and note 8 to the accompanying consolidated financial statements for details of carrying value of inventories as at March 31, 2026. At the balance sheet date March 31, 2026, the Group held inventories comprising of raw materials, finished goods, work-in-progress, intermediate products and stores and packing materials aggregating to ₹ 757.10 Crores which represents 16.06% of the total assets of the Group.	**Our audit procedures related to valuation of inventories included, but were not limited, to the following:** • Assessed the appropriateness of the Group's accounting policy and valuation method of inventory in accordance with Ind AS 2. • Evaluated the design and tested the operating effectiveness of key controls, including automated controls with the help of auditor's experts around purchase of inventories, valuation of inventories, computation of overheads.

Key audit matter	How our audit addressed the key audit matter
Determination of cost of inventory for finished goods, intermediate products and work-in-progress involves determination of cost of direct raw materials, labour, allocation of variable overheads based on the actual use of production facilities and apportionable fixed overhead expenditure based on the normal operating capacity. The valuation process which includes overhead allocation as above involves management judgement and estimation around inputs used for overhead allocation based on various criteria, cost drivers, product mix, and allocation of expenses through various stages of production. Considering the abovementioned complexities, materiality of amounts and management judgement involved, valuation of inventories has been considered to be a key audit matter for the current year audit.	• Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation and corroborated the same to our understanding of the business. • Understood and assessed the management process of determining overhead absorption rates applied by verifying the appropriateness of underlying variables used such as cost data, normal production capacity, actual production data, bill of materials and stage of production. • Verified the expenses considered as cost of conversion including estimates for apportionment of such conversion cost to finished goods, intermediate products and work-in-progress, and ensured arithmetical accuracy of such workings. • Performed substantive testing for samples of raw material purchase transactions recorded during the year, and purchase transactions recorded before and after year end, to ensure such purchases are booked accurately and in the correct period, by verifying the underlying documents for such selected samples, which included contracts, purchase orders, invoices, shipping documents such as lorry receipts, etc. • Performed analytical procedures on current year's cost of goods sold based on gross profit margin analysis, and where appropriate, conducted further enquiries and testing. • Evaluated the appropriateness and adequacy of the disclosures made in the accompanying consolidated financial statements in accordance with the applicable accounting standards.

In addition to the above key audit matter, we have determined the following matter reproduced below as a key audit matter to be communicated in our report, based on communication received from the component auditor of one of the subsidiary companies of the Holding Company:

Key audit matter	How our audit addressed the key audit matter
Additions to property, plant and equipment ('PPE') and capital work in progress ('CWIP') Refer note 2.5(v) to the accompanying consolidated financial statements for the material accounting policy information and note 3A and 3B to the accompanying consolidated financial statements. Sanathan Polycot Private Limited ('SPPL') has incurred significant capital expenditure of ₹ 564.94 Crores during the year ended March 31, 2026 towards its new plant in Wazirabad, Punjab. During the year, SPPL has also capitalised ₹ 1,952.28 Crores as PPE based on completion of its project as per recognition criteria provided under Ind AS 16, 'Property, Plant and Equipment' ('Ind AS 16'). The aggregate carrying amount of additions to PPE and CWIP for the current year comprises of 77% of the total assets of SPPL as at March 31, 2026.	**Our audit procedures included, but were not limited to the following:** • Obtained an understanding of the management's process of recording the transactions pertaining to capital expenditure incurred by SPPL and evaluated the accounting policies adopted by SPPL in accordance with the requirements of Ind AS 16. • Evaluated the design and tested the operating effectiveness of key controls over capitalisation of PPE and additions to CWIP. • Tested the additions made to PPE and CWIP during the year, on a sample basis, and verified underlying supporting documents including contracts, agreements, invoices, completion certificates and installation proofs, as applicable, to ensure PPE and CWIP is recorded accurately in the correct period and assessed whether the recognition criteria under Ind AS 16 has been met.

Key audit matter	How our audit addressed the key audit matter
Determination of whether the additions to CWIP meet the recognition criteria in accordance with the requirements of Ind AS 16 requires considerable management judgement and estimates including allocation of overheads, employee costs, determination of other incidental expenses, determination of timing of capitalisation and classification of PPE in various classes, estimate related useful life based on the technical evaluation and assign residual value to various items capitalised. Further, such capital expenditure has been partly funded from the specific borrowings raised by SPPL. Accordingly, the borrowing cost incurred on such borrowings have been capitalised as part of cost of the qualifying assets in accordance with the principles of Ind AS 23, Borrowing Costs ('Ind AS 23'). Given the significance of the overall capital expenditure involved in the context of the balance sheet of the Company and the level of estimates / judgements involved as mentioned above, additions to PPE and CWIP has been determined to be a key audit matter in the current year audit.	• Evaluated whether the capitalisation of borrowing cost is in accordance with the principles of Ind AS 23 (including their suspension upon readiness to use) and re-computed the same. • Evaluated the estimated useful lives of PPE which has been determined by the management and reviewed the technical certificates used for such determination. • Evaluated the appropriateness of depreciation charged during the year. • In respect of overheads allocated by the management, evaluated the methodology used by the management and assessed the reasonableness of cost allocation. • Assessed that the appropriateness and accuracy of the related disclosures made in the accompanying consolidated financial statements in accordance with the applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the 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 consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. 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 Standards on Auditing 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.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

    - Obtain an understanding of internal 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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; and

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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 controls that we identify during our audit.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 2,836.96 Crores as at March 31, 2026, total revenues of ₹ 843.96 Crores and net cash outflows amounting to ₹ 12.44 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that two subsidiaries incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act, we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of

the directors of the Holding Company and its subsidiaries are disqualified as on March 31 2026 from being appointed as a director in terms of section 164(2) of the Act;

f) The modification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in, paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in note 34 to the consolidated financial statements;

ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2026;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries covered under the Act, during the year ended March 31, 2026;

iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief as disclosed in note 42A to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities (the '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 Holding Company, or any such subsidiaries, (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 42B to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries 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; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended March 31, 2026; and

vi. As stated in Note 41 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company and its subsidiaries, in respect of financial year commencing on 1 April 2025, have used an accounting software operated by a third-party software service provider for maintaining their books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. In absence of an 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we and respective auditors of the above referred subsidiaries are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions or whether there were any instances of audit trail feature being tampered with at the database level. The audit trails have been preserved at the application level by the Holding Company and its subsidiaries as per the statutory requirements for record retention. Further, due to absence of the Type 2 report, we and respective auditors of the above referred subsidiaries are unable to comment on preservation of audit trail at the database level.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 26058644QVOQYA1871

Place: Mumbai
Date: May 15,2026

Annexure I

to the Independent Auditor's Report to the members of Sanathan Textiles Limited on the consolidated financial statements as at and for the year ended March 31, 2026

List of subsidiaries included in the consolidated financial statements

1. Sanathan Polycot Private Limited
2. Universal Texturisers Private Limited

Annexure II

to the Independent Auditor's Report of even date to the members of Sanathan Textiles Limited on the consolidated financial statements as at and for the year ended March 31, 2026

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Sanathan Textiles Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group') as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') 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 the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2026, based on the internal financial control with reference to financial statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 2,836.96 Crores as at March 31, 2026, total revenues of ₹ 843.96 Crores and net cash outflows amounting to ₹ 12.44 Crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it related to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 26058644QVOQYA1871

Place: Mumbai
Date: May 15, 2026

Consolidated Balance Sheet

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
a) Property, plant and equipment	3A	2,804.36	930.87
b) Capital work-in-progress	3B	252.00	1,586.95
c) Right-of-use assets	3C	12.22	-
d) Intangible assets	4A	0.88	1.49
e) Goodwill	4B	1.91	1.91
f) Financial assets			
i) Other financial assets	5	27.45	9.81
g) Income-tax assets (net)	6A	1.13	5.34
h) Deferred tax assets (net)	16	22.62	-
i) Other non-current assets	7	65.38	134.36
Total non-current assets		**3,187.95**	**2,670.73**
Current assets			
a) Inventories	8	757.10	374.74
b) Financial assets			
i) Trade receivables	9	217.00	148.58
ii) Cash and cash equivalents	10	10.52	30.99
iii) Bank balances other than cash and cash equivalents	11	158.52	107.50
iv) Other financial assets	5	4.65	1.22
c) Other current assets	7	377.94	194.31
Total current assets		**1,525.73**	**857.34**
Total assets		**4,713.68**	**3,528.07**
Equity and liabilities			
Equity			
a) Equity share capital	12	84.40	84.40
b) Other equity	13	1,787.67	1,723.61
Total equity attributable to the owners of the Parent		**1,872.07**	**1,808.01**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	14A	1,272.86	938.20
ii) Lease liabilities	14B	16.04	-
b) Provisions	15	11.82	8.98
c) Deferred tax liabilities (net)	16	83.85	80.93
d) Other non-current liabilities	17	31.18	17.87
Total non-current liabilities		**1,415.75**	**1,045.98**
Current liabilities			
a) Financial liabilities			
i) Borrowings	14A	214.38	145.97
ii) Lease liabilities	14B	8.80	-
iii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises; and		16.12	7.49
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,075.01	381.43
iv) Other financial liabilities	19	81.94	117.58
b) Other current liabilities	17	24.49	18.56
c) Provisions	15	4.34	3.05
d) Current tax liabilities (net)	6B	0.78	-
Total current liabilities		**1,425.86**	**674.08**
Total liabilities		**2,841.61**	**1,720.06**
Total equity and liabilities		**4,713.68**	**3,528.07**

The accompanying notes to the consolidated financial statements including material accounting policy information and other explanatory information are an integral part of these consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15, 2026

Consolidated Statement of Profit and Loss

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
a) Revenue from operations	20	3,811.18	2,998.61
b) Other income	21	19.40	16.74
Total income		**3,830.58**	**3,015.35**
Expenses			
a) Cost of materials consumed		2,733.95	2,109.66
b) Purchases of stock-in-trade		13.48	6.49
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(83.75)	5.02
d) Employee benefits expense	23	125.28	99.74
e) Finance costs	24	95.85	17.96
f) Depreciation and amortisation expenses	25	93.10	45.86
g) Other expenses	26	737.87	514.17
Total expenses		**3,715.78**	**2,798.90**
Profit before tax		**114.80**	**216.45**
Tax expense			
a) Current tax	27	53.50	52.51
b) Deferred tax (credit)/ charge	16	(16.05)	3.49
Total tax expense		**37.45**	**56.00**
Profit for the year		**77.35**	**160.45**
Other comprehensive income/ (loss)			
a) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans		0.91	(0.35)
Income-tax effect on above		(0.22)	0.09
b) Items that will be reclassified to profit or loss			
Net changes in the fair value of cash flow hedge		(22.53)	-
Income-tax effect on above		3.87	-
Other comprehensive loss for the year		**(17.97)**	**(0.26)**
Total comprehensive income for the year		**59.38**	**160.19**
Profit for the year attributable to:			
Owners of the Parent		77.35	160.45
Non-controlling interest		-	-
		77.35	**160.45**
Other comprehensive loss attributable to:			
Owners of the Parent		(17.97)	(0.26)
Non-controlling interest		-	-
		(17.97)	**(0.26)**
Total comprehensive income attributable to:			
Owners of the Parent		59.38	160.19
Non-controlling interest		-	-
		59.38	**160.19**
Earnings per share (face value of ₹ 10 each)	28		
Basic earnings per share (in Rupees)		9.16	21.30
Diluted earnings per share (in Rupees)		9.16	21.30

The accompanying notes to the consolidated financial statements including material accounting policy information and other explanatory information are an integral part of these consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15, 2026

Consolidated Statement of Changes in Equity

(All amounts in Rupees Crores, unless otherwise stated)

A. Equity share capital

Particulars	Note	Number of shares (in nos.)	Amount
Issued, subscribed and fully paid-up share capital	12		
Equity shares of ₹ 10 each			
As at April 1, 2024		**7,19,43,000**	**71.94**
Issued during the year (refer note 43)		1,24,61,059	12.46
As at March 31, 2025		**8,44,04,059**	**84.40**
Issued during the year		-	-
As at March 31, 2026		**8,44,04,059**	**84.40**

B. Other equity (refer note 13)

Particulars	Reserves and surplus - Attributable to the owner of the Holding Company						
	General reserve	Employee stock options outstanding reserve	Retained earnings		Cash flow hedge reserve	Securities premium	Total
			Other retained earnings	Re-measurement of defined benefit plan			
As at April 1, 2024	**232.39**	**2.06**	**969.67**	**(1.09)**	**-**		**1203.03**
a) Profit for the year	-	-	160.45	-	-	-	160.45
b) Other comprehensive income	-	-	-	-	-	-	
Re-measurement of defined benefit plan	-	-	-	(0.26)		-	(0.26)
Total comprehensive income (a+b)	**-**	**-**	**160.45**	**(0.26)**	**-**	**-**	**160.19**
c) Transactions with owners in their capacity as owners:							
On issue of equity shares (refer note 43)	-	-	-	-	-	360.10	360.10
Share based payment to employees	-	0.29	-	-	-	-	0.29
As at March 31, 2025	**232.39**	**2.35**	**1,130.12**	**(1.35)**	**-**	**360.10**	**1,723.61**
d) Profit for the year	-	-	77.35	-		-	77.35
e) Other comprehensive income							
Fair value changes on derivatives designated as cash flow hedge	-	-	-	-	(18.66)	-	(18.66)
Re-measurement of defined benefit plan	-	-	-	0.69	-	-	0.69
Total comprehensive income (d+e)	**-**	**-**	**77.35**	**0.69**	**(18.66)**	**-**	**59.38**
f) Transactions with owners in their capacity as owners:							
Share based payment to employees	-	0.64	-	-	-	-	0.64
Adjustment/ actualisation of share issue expenses	-	-	-	-	-	4.04	4.04
As at March 31, 2026	**232.39**	**2.99**	**1,207.47**	**(0.66)**	**(18.66)**	**364.14**	**1,787.67**

The accompanying notes to the consolidated financial statements including material accounting policy information and other explanatory information are an integral part of these consolidated financial statements.

This is the consolidated statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15, 2026

Consolidated Statement of Cash Flows

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Cash flow from operating activities			
Profit before tax		114.80	216.45
Adjustments for non-cash transactions and items considered separately			
Depreciation and amortisation expenses	25	93.10	45.86
Re-measurement of defined benefit plan		0.91	(0.35)
Share-based payments to employees	23	0.64	0.29
Interest income on bank deposits	21	(5.56)	(4.83)
Gain on disposal of property, plant and equipment (net)	21	(4.51)	(0.11)
Finance costs	24	95.85	17.96
Unrealised portion of loss/ (gain) on foreign currency translations (net)		1.16	(1.71)
Liabilities / provisions no longer required, written back (net)	21	(0.01)	(0.51)
Adjustment for government grants	35	(1.61)	(1.60)
Reversal of allowance for expected credit loss (net)	26	(0.08)	(0.75)
Write down of inventories to net realisable value	8	0.54	3.17
Profit on sale of units of mutual funds (net)	21	(0.80)	(5.18)
Unwinding of interest on security deposits	21	(0.09)	-
Cash flow before changes in working capital		**294.34**	**268.69**
Changes in working capital			
Trade payables		703.65	152.30
Provisions and other liabilities		11.63	26.78
Inventories		(382.90)	27.58
Trade receivables		(67.31)	(21.31)
Other financial and non-financial assets		(188.40)	(12.19)
Cash generated from operations before taxes		**371.01**	**441.85**
Income-taxes paid (net of refunds)		(48.60)	(58.50)
Net cash generated from operating activities (A)		**322.41**	**383.35**
(B) Cash flow from investing activities			
Purchases of property, plant and equipment, capital work-in progress and intangible asset under development (including capital advances and payable for capital goods)		(614.46)	(1,528.07)
Proceeds from disposal of property, plant and equipment		27.82	0.24
Deposits (invested)/ matured (net)		(50.97)	(30.06)
Sale proceeds of mutual funds (net)		0.80	112.12
Interest received on bank deposits		5.41	4.83
Net cash used in investing activities (B)		**(631.40)**	**(1,440.94)**

Consolidated Statement of Cash Flows

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
(C) Cash flow from financing activities			
Proceeds from issue of equity shares (net of share issue expenses)	12&13	-	372.57
Cash credit facilities and short-term borrowings availed (net)		3.59	95.91
Availment of long-term borrowings	14	474.52	937.53
Repayment of long-term borrowings	14	(83.59)	(329.40)
Payment of interest	14	(99.70)	(17.96)
Payment of principal portion of lease liabilities	14	(4.60)	-
Finance cost paid on lease liabilities	14	(1.70)	-
Net cash generated from financing activities (C)		**288.52**	**1,058.65**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)		**(20.47)**	**1.06**
Cash and cash equivalents at the beginning of the year		30.99	29.93
Cash and cash equivalents at the end of the year		**10.52**	**30.99**
Notes to consolidated statement of cash flows:			
Cash and cash equivalents at the end of the year comprise of :			
Balances with banks in current accounts	10	10.48	30.96
Cash on hand	10	0.04	0.03
		10.52	**30.99**

The consolidated statement of cash flows has been prepared under indirect method as set out in Ind AS 7 'Statement of Cash Flows' specified under section 133 of the Companies Act, 2013.

Refer note 14 for changes in liabilities arising from financing activities as required by Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.

The accompanying notes to the consolidated financial statements including material accounting policy information and other explanatory information are an integral part of these consolidated financial statements.

This is the consolidated statement of cash flows referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15, 2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15, 2026

Summary Statement of Material Accounting policy information and other explanatory information to the Consolidated Financial Statements

as at and for the year ended March 31, 2026

1. Corporate information

Sanathan Textiles Limited ('Sanathan' or the 'Holding Company') is a company domiciled in India under the provisions of the erstwhile Companies Act, 1956. The equity shares of the Holding Company are listed on the National Stock Exchange of India limited and BSE Limited. The Holding Company's registered office is located at SRV No. 187/4/1/2, Near Surangi Bridge, Surangi, Dadra and Nagar Haveli (District), Dadra and Nagar Haveli, India - 396230.

Sanathan is engaged in the manufacture and sale of polyester, texturized and cotton yarn and polyester chips.

On April 20, 2021, Sanathan incorporated a wholly owned subsidiary company, Sanathan Polycot Private Limited ('SPPL') which is in the business of manufacture and sale of polyester, texturized and cotton yarn and related textile products.

Further on September 26, 2021, Sanathan acquired 100% equity shares of Universal Texturisers Private Limited ('UTPL'). UTPL is also in the business of manufacture and sale polyester, texturised and cotton yarn and related textile products.

2. Basis of preparation and presentation

2.1 General information and statement of compliance:

The Group's consolidated financial statements comprise of the consolidated balance sheet as at March 31, 2026, consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flows and consolidated changes in equity for year then ended and notes to the consolidated financial statements including material accounting policy information and other explanatory information (hereinafter collectively referred to as 'consolidated financial statements').

These consolidated financial statements have been prepared in accordance with the requirements of Indian Accounting Standards ('Ind AS'), prescribed under section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The consolidated financial statements have been prepared on a going concern basis using the accrual basis of accounting and the accounting policies have been consistently applied, unless otherwise stated.

All amounts included in the consolidated financial statements are reported in Indian Rupees ('INR') in Crores unless otherwise stated and "0" denotes amounts less than fifty thousand rupees.

The consolidated financial statements of the Group as of and for the year ended March 31, 2026 were approved and authorised for issue by the Board of Directors on May 15, 2026.

2.2 Basis of measurement:

The consolidated financial statements have been prepared on historical cost basis except for the following material items that have been measured at fair value:

i. Certain financial assets and liabilities (including derivative financial instruments) measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit plan measured using actuarial valuation; and

iii. Share-based payments.

2.3 Principles of consolidation

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The consolidated financial statements have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements' and on the basis of separate audited financial statements of the Holding Company and its subsidiaries.

The consolidated financial statements of the Group are combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or loss in accordance with Ind AS 110.

All the consolidated subsidiaries have a consistent reporting date of the balance sheet of the Holding Company.

Summary Statement of Material Accounting policy information and other explanatory information to the Consolidated Financial Statements

as at and for the year ended March 31, 2026

Non-controlling interests, if any, in the results and equity of subsidiary companies are shown separately in the consolidated statement of profit and loss, the consolidated statement of changes in equity and the Consolidated balance sheet.

List of subsidiary companies included in the consolidated financial statements:

Name of the subsidiary company*	Country of incorporation	% holding as at March 31, 2026	% holding as at March 31, 2025
Sanathan Polycot Private Limited	India	100%	100%
Universal Texturisers Private Limited	India	100%	100%

* Principal business activity of both the subsidiary companies is 'Textile manufacturing'.

2.4 Use of estimates and judgements:

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

a) **Recognition of deferred tax assets –** The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the respective entity's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilised.

b) **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c) **Contingent liabilities –** At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

d) **Impairment of trade receivables -** At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward-looking estimates, the Group assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

e) **Impairment of financial assets –** The loss allowance on financial assets is based on expected credit loss method. The judgement is used in making the assumptions in calculating the default rate required for identifying the allowance as per the expected credit loss method at the end of each reporting period.

f) **Defined benefit obligation ('DBO') –** The Group's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the defined benefit expenses of the reporting period.

g) **Useful lives of property, plant and equipment and intangible assets –** The Group reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

h) **Government grants –** Grants receivable are based on estimates for utilisation of the grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted for prospectively over the balance obligation period.

i) **Fair value measurements –** Some of the Group's assets and liabilities are measured at fair value.

Summary Statement of Material Accounting policy information and other explanatory information to the Consolidated Financial Statements

as at and for the year ended March 31, 2026

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs i.e., market-observable inputs are not available, the Group engages third party valuers, where required, to perform the valuation.

j) **Impairment of non-financial assets -** In assessing impairment, the Group estimates the recoverable amounts of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.

k) **Write down of inventories –** The Group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

l) **Provisions -** Provisions are recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding defined benefit plan) are not discounted to their present value and are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

m) **Share-based payments -** The grant date fair value of the option granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under 'Employee stock options outstanding reserve'. The amount recognised as expense is adjusted to reflect the impact of the revision estimated based on number of options that are expected to vest, in the consolidated statement of profit end with a corresponding adjustment to equity.

2.5 Summary of material accounting policies:

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group is measured using the currency of the primary economic environment in which the Group operates i.e., the 'functional currency'. The consolidated financial statements are presented in INR, which is the functional and presentation currency of the Group.

(ii) Foreign currency transactions and translations

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the consolidated statement of profit and loss in the period in which they arise.

(iii) Financial instruments

a. Initial recognition and measurement

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at

Summary Statement of Material Accounting policy information and other explanatory information to the Consolidated Financial Statements

as at and for the year ended March 31, 2026

fair value through profit or loss ('FVTPL') are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

Financial liabilities are classified as measured at amortised cost or FVTPL. The fair value of a financial liability at initial recognition is normally the transaction price. A financial liability is classified as at FVTPL if it is classified as held-for-trading, 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 recognised in profit or loss.

In accordance with Ind AS 113 'Fair Value Measurements', the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Group's financial liabilities include trade payables, lease liabilities, other payables and loans and borrowings including bank overdrafts.

b. Subsequent measurement

Non-derivative financial instruments

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income ('FVOCI')

A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(d) Financial liabilities

The measurement of financial liabilities depends on their classification.

The EIR method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included as finance costs in the consolidated statement of profit and loss, unless and to the extent capitalised as part of costs of an asset.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

(e) Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts liabilities, if any, issued by the Holding Company to its subsidiary companies, are measured initially at their fair

Summary Statement of Material Accounting policy information and other explanatory information to the Consolidated Financial Statements

as at and for the year ended March 31, 2026

values and recognised as income in the statement of profit and loss over the period of guarantee.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

The effect of above recognition and measurement is eliminated in preparation and presentation of consolidated financial statements as these are intra-group balances and transactions.

(f) Derivative financial instruments

Derivative financial instruments such as forward contracts, to hedge foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the consolidated statement of profit and loss in the period when they arise.

c. De-recognition of financial instruments

The Group de-recognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset. A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

d. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(iiia) Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. These hedges are accounted for as cash flow hedges.

Accordingly, at the inception of the hedge the Group formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determine the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency/ reference interest rates, contract amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income ('OCI') in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated

Summary Statement of Material Accounting policy information and other explanatory information to the Consolidated Financial Statements

as at and for the year ended March 31, 2026

or no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity till that time remains and is recognised in the statement of profit and loss when the forecasted transaction ultimately affects profit and loss. Any gain or loss is recognised immediately in the statement of profit and loss when the hedge becomes ineffective.

(iv) Current versus non-current classification

(i) An asset is considered as current when it is:

a. Expected to be realised or intended to be sold or consumed in the normal operating cycle; or

b. Held primarily for the purpose of trading; or

c. Expected to be realised within twelve months after the reporting period; or

d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

(ii) Liability is considered as current when it is:

a. Expected to be settled in the normal operating cycle; or

b. Held primarily for the purpose of trading; or

c. Due to be settled within twelve months after the reporting period; or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(iii) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as not exceeding twelve months for the purpose of current and non-current classification of assets and liabilities.

(v) Property, plant and equipment (PPE')

Recognition and initial measurement

PPE are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs and disposal

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Items such as spare parts are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory.

An item of PPE initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the consolidated statement of profit and loss when the asset is de-recognised.

Capital work-in-progress includes PPE under construction and not ready for intended use as on the balance sheet date.

Subsequent measurement (depreciation and useful lives)

Freehold land is carried at cost and is a non-depreciable asset. All other items of PPE are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on PPE is provided on a straight-line basis, computed on the basis of management's estimate of useful lives (as set out below), which is in line with useful lives

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prescribed under Schedule II to the Act, except for plant and equipment wherein based on the technical evaluation, useful life has been estimated to be 15 to 25 years.

The estimated useful lives of different classes of PPE are as follows:

Class of PPE	Useful life
Buildings	30-60 years
Computers	3 - 6 years
Electrical installations and equipment	10 years
Furniture and fixtures	10 years
Factory equipment	15 years
Laboratory equipment	10 years
Office equipment	5 years
Vehicles	8-10 years
Plant and equipment	15-25 years

The residual values are not more than 5% of the original cost of the PPE. The residual values, useful lives and method of depreciation of are reviewed at each reporting date.

(vi) Intangible assets

Recognition and initial measurement

Intangible assets are recognised when it is possible that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Subsequent measurement (amortisation and useful lives)

Intangible assets are stated at original costs, if any, less accumulated amortisation and cumulative impairment, if any.

Intangible assets are amortised over their useful life, as determined by the management. Amortisation on addition to intangible assets or on disposal of intangible assets is calculated pro-rata from the month of such addition or up to the month of such disposal as the case may be. The estimated useful life of the Group's intangible asset is as follows:

Class of intangible asset	Useful life
Computer software	3 years

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment at each reporting date, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

(vii) Leases

Group as a lessee – Right of use ('ROU') assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement of ROU assets

At lease commencement date, the Group recognises a ROU asset and a lease liability on the consolidated balance sheet. The ROU asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement of ROU assets

The Group depreciates the ROU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Group also assesses the ROU asset for impairment when such indicators exist.

ROU arising from sale and leaseback transactions

ROU asset arising from a sale and leaseback transaction is measured at the proportion of previous carrying amount of the asset that relates to right of use retained by the Group. Where sale proceeds received are judged to reflect the asset's fair value, any gain or loss arising on disposal is recognised in the consolidated statement of profit and loss, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to

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the rights that have been retained are included in the carrying amount of the right of use assets recognised at commencement of the lease. Where sale proceeds received are not at the asset's fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

Lease liabilities

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the ROU asset.

The Group has elected to account for short-term leases and low value leases using the practical expedients. Instead of recognising a ROU asset and lease liability, the payments in relation to these short-term leases and low value leases are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income is recognised on accrual basis.

(viii) Impairment of assets

(a) Non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(b) Financial assets

The Group assesses based on historical trends and forward-looking information, the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

In respect of trade receivables and other financial assets, the Group applies the simplified approach of Ind AS 109, 'Financial Instruments', which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

(ix) Employee benefits

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(a) Long-term employee benefits

(i) Defined contribution plan

The Group has defined contribution plan for post-employment benefits in the form of provident fund and employees' state insurance fund. Under the defined contribution plan, the Group has no further obligation beyond making the contributions. Such contributions are charged to the consolidated statement of profit and loss as incurred.

(ii) Defined benefit plan

The Group has defined benefit plan for post-employment benefits in the form of gratuity for its employees in India. Liability for defined benefit plan is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. The liability recognised in the consolidated financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs.

Discount factors are determined close to each period-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost and net interest expense on the Group's defined benefit plan is included in employee benefits expense.

Actuarial gains or losses are recognised in OCI. Interest expense recognised in the consolidated statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the defined benefit liability.

(b) Short-term employee benefits

Salaries and wages, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus, incentives etc. These are measured at the amounts paid or expected to be paid when the liabilities are settled. The accrued liabilities, if any, are presented as current employee benefit obligations in the consolidated balance sheet.

(c) Share-based payments

The fair value of options granted under Sanathan Textiles Limited Employee Stock Option Plan ('ESOP 2021') recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specified period of time).

Total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Holding Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the Holding Company modifies the terms or conditions of the equity instruments granted in a manner that is beneficial to the employee, an additional expense is recognised over the remainder of vesting period for modification that increases the total fair value of the options granted or is otherwise beneficial to the employee as at the date of modification.

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When the Holding Company modifies the terms or conditions of the equity instruments granted in a manner that is not otherwise beneficial to the employee, the Group continues to account for the services received as consideration for the equity instruments granted as if that modification had not occurred.

(x) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent asset is not recognised in the consolidated financial statements. However, it is recognised only when an inflow of economic benefits is probable.

(xi) Borrowing costs

Borrowing costs includes interest expense on borrowings calculated using the EIR, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale ('qualifying asset') are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(xii) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw material comprises of cost of purchase and other cost incurred in bringing the inventory to their present condition and location. Trade discounts, rebates and other similar items are deducted in determining the cost of purchase. Cost is determined on a moving weighted average basis.

The cost of finished goods, intermediate products and work-in-progress includes cost of direct materials and labour and a proportion of variable based on the actual use of production facilities and apportionable fixed overhead expenditure based on the normal operating capacity.

In case of stock-in-trade, cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a moving weighted average basis.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Further, inventories contain stores and packing materials. Adequate allowances are recognised as a measure of consumption over their expected life based on their usage.

Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between

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standard costs and actual costs, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

(xiii) Income recognition

(a) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products. Revenue is measured net of rebates, discounts and taxes. A receivable is recognised by the Group when control is transferred as this is the point in time where consideration is unconditional because only the passage of time is required for the payment to be received.

No element of financing is deemed to be present since the Group does not provide significant period of credit to its customers.

The Group applies the revenue recognition criteria to each component of the revenue transaction as set out below:

Sale of products

Revenue from sale of products is recognised when the performance obligation is satisfied by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset which is generally on dispatch of goods. In cases where performance obligations are satisfied upon delivery based on the terms of the contract, the revenue is recognised upon such delivery.

The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

Revenue (other than sale of products)

Revenue (other than sale of products) is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(b) Other operating revenue

Other operating revenue includes export incentives. Export incentives constituting duty drawback, incentives under Remission of Duties and Taxes on Exported Products (RODTEP) and Duty-drawback Scheme which are accounted for on accrual basis where there is reasonable assurance that the Group will comply with the conditions attached to them and the export benefits will be received. Export incentives in the nature of government grants under Export Promotion Capital Goods (EPCG), are notified by Government of India and are accounted for in the period of exports and discharging other conditions attached to the grant, and when there is no uncertainty in its recognition.

(c) Interest income

Interest income is recorded on accrual basis using the EIR method.

(d) Dividend

Dividend income is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

(e) Other income

Other income is recognised when no significant uncertainty as to its determination and realisation exists.

(xiv) Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in consolidated statement of profit and loss except to the extent that it relates to items recognised directly in equity or OCI.

The current income-tax charge is calculated on the basis of the tax laws enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax

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is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(xv) Earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares of the Holding Company outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events including a bonus issue or share split.

For the purpose of calculating diluted earnings per share, the consolidated net profit or loss for the year attributable to equity shareholders and the weighted average number of shares of the Holding Company outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

(xvi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash, balance in current accounts with banks and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group's cash management.

(xvii) Government grants

Government grants are recognised only when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants related to or used for assets are included in the balance sheet as deferred government grant and recognised as income in the consolidated statement of profit and loss in the proportion of export obligations that have been discharged.

Export benefits available under prevalent schemes are accrued in the period in which the goods are exported and there is no uncertainty in receiving the same.

(xviii) Investments

All investments in equity instruments falling under scope of Ind AS 109 'Financial Instruments' are measured at fair value.

For equity investments, the Group makes an irrevocable election to present in OCI, the subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends and impairment loss, are recognised in OCI. There is no recycling of the amounts from the OCI to the consolidated statement of profit and loss, even on sale of the investment. However, the Group may transfer the cumulative gain or loss within categories of equity.

Investments where the Group does not make an election to present the subsequent fair value changes in OCI, are classified at FVTPL.

Mutual funds which are held for trading are classified as at FVTPL with all changes recognised in the consolidated statement of profit and loss. The mutual funds are valued using closing net asset value (NAV).

(xix) Business combination

The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, the difference is recognised in OCI and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any goodwill that arises on account of such business combination is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or OCI, as appropriate.

(xx) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, who are considered as chief operating decision maker ('CODM').

(xxi)Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to assist users in understanding the financial performance achieved and in making projections of future financial performance, the nature and amount of such material items are disclosed separately as exceptional items.

(xxii) Events after the reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Where the events are indicative of conditions that arose after the reporting period, the amounts are not adjusted, but are disclosed if those non-adjusting events are material.

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2.6 Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

MCA has issued following amendments effective from April 1, 2025.

Amendments to Ind AS 21 - Lack of exchangeability

MCA via notification dated May 07, 2025, announced amendments to Ind AS 21, '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 Group has reviewed the amendment and based on its evaluation, has determined that it does not have any material impact on the consolidated financial statements.

Classification of liabilities as current or non-current and non-current liabilities with covenants - Amendments to Ind AS 1

MCA via notification dated August 13, 2025 announced amendments to Ind AS 1, Presentation of Financial Statements, which elaborate on guidance set out in Ind AS 1 by:

- clarifying that the right to defer settlement of a liability for at least 12 months after the reporting period;

a) must have substance, and b) must exist at the end of the reporting period;

- stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability;
- including requirements for liabilities that can be settled using an entity's own instruments; and
- stating that at the reporting date, the entity does not consider covenants that will need to be complied with in the future when considering the classification of the debt as current or non-current

In addition, an entity is required to disclose 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 Group has no impact of this amendment in its classification criteria of current and non-current liabilities.

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

MCA via notification dated August 13, 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 Group has no impact of this amendment on its classification of current and non-current liabilities.

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

MCA via notification dated August 13, 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 Pillar 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.

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The Group has reviewed the amendment and based on its evaluation, has determined that it does not have any significant impact on the consolidated financial statements.

2.7 New standards and amendments to existing Standards which are issued but are not yet effective and have not been early adopted by the Group

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

Paragraph 74 of Ind AS 1 currently effective for the year ended March 31, 2026 requires the entity not to classify the liability as current, if there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, however, 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.

MCA vide notification dated August 13, 2025 has introduced amendment under Paragraph 74 of Ind AS 1which requires the entity to classify the liability as current under the aforementioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date. Such amendment has been made effective for annual reporting periods beginning on or after April 1, 2026 retrospectively in accordance with Ind AS 8.

This amendment is not expected to have a material impact on the Group's consolidated financial statements.

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(All amounts in Rupees Crores, unless otherwise stated)

Note 3A : Property, plant and equipment ('PPE')

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Electrical installations and equipment	Office equipment	Factory equipment	Laboratory equipment	Computers	Total
Gross block											
As at April 1, 2024	**190.43**	**295.89**	**1,116.23**	**2.56**	**24.80**	**58.35**	**1.76**	**27.82**	**7.89**	**8.89**	**1,734.62**
Additions	0.39	0.91	40.65	0.03	0.63	0.78	0.13	4.93	0.67	0.29	49.41
Deletions	-	-	0.18	-	0.66	-	-	-	-	0.13	0.97
As at March 31, 2025	**190.82**	**296.80**	**1,156.70**	**2.59**	**24.77**	**59.13**	**1.89**	**32.75**	**8.56**	**9.05**	**1,783.06**
Additions	-	435.57	1,323.67	0.65	7.11	150.86	0.70	42.57	3.22	6.70	1,971.05
Deletions	-	-	66.01	-	2.92	-	0.05	-	-	-	68.98
As at March 31, 2026	**190.82**	**732.37**	**2,414.36**	**3.24**	**28.96**	**209.99**	**2.54**	**75.32**	**11.78**	**15.75**	**3,685.13**
Accumulated depreciation											
As at April 1, 2024	**-**	**88.14**	**645.25**	**2.07**	**7.93**	**41.61**	**1.17**	**9.20**	**5.97**	**6.81**	**808.15**
Charge for the year	-	8.30	27.66	0.07	2.80	2.92	0.17	1.91	0.40	0.65	44.88
Reversal on deletions	-	-	0.12	-	0.60	-	-	-	-	0.12	0.84
As at March 31, 2025	**-**	**96.44**	**672.79**	**2.14**	**10.13**	**44.53**	**1.34**	**11.11**	**6.37**	**7.34**	**852.19**
Charge for the year	-	15.50	55.50	0.09	2.74	10.30	0.22	3.22	0.59	1.15	89.31
Reversal on deletions	-	-	59.12	-	1.57	-	0.04	-	-	-	60.73
As atMarch 31, 2026	**-**	**111.94**	**669.17**	**2.23**	**11.30**	**54.83**	**1.52**	**14.33**	**6.96**	**8.49**	**880.77**
Net block											
As at March 31, 2025	**190.82**	**200.36**	**483.91**	**0.45**	**14.64**	**14.60**	**0.55**	**21.64**	**2.19**	**1.71**	**930.87**
As at March 31, 2026	**190.82**	**620.43**	**1,745.19**	**1.01**	**17.66**	**155.16**	**1.02**	**60.99**	**4.82**	**7.26**	**2,804.36**

(i) All the title deeds of immovable properties are held in the name of the respective companies.

(ii) Refer note 14A for information on PPE provided as collateral or security for borrowings or finance facilities availed by the Group.

(iii) Refer note 34(ii) for capital commitments.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 3B : Capital work-in-progress ('CWIP')

Particulars	As at March 31, 2026	As at March 31, 2025
CWIP	252.00	1,586.95
Total	**252.00**	**1,586.95**

Disclosure for movement in CWIP:

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1,586.95	140.51
Additions during the year	636.10	1,495.46
Capitalised during the year	(1,971.05)	(49.02)
Balance at the end of the year	**252.00**	**1,586.95**

Details of CWIP ageing schedule

As at March 31, 2026

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	227.41	20.69	3.90	-	252.00
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,458.11	115.98	12.86	-	1,586.95
Projects temporarily suspended	-	-	-	-	-

Notes:

1. There is no CWIP, completion of which is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025.

2. During the year, the Group has capitalised indirect expenses amounting to ₹ 116.13 Crores (March 31, 2025: ₹ 118.28 Crores)

Note 3C : Right-of-use assets

Particulars	Plant and equipment/ Total
Gross block	
As at April 1, 2024	**-**
Additions	-
Deletions	-
As at March 31, 2025	**-**
Additions	15.01
Deletions	-
As at March 31, 2026	**15.01**

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(All amounts in Rupees Crores, unless otherwise stated)

Note 3C : Right-of-use assets (Contd..)

Particulars	Plant and equipment/ Total
Accumulated depreciation	-
As at April 1, 2024	**-**
Charge for the year	-
Reversal on deletions	-
As at March 31, 2025	**-**
Charge for the year	2.79
Reversal on deletions	-
As at March 31, 2026	**2.79**
Net block	
As at March 31, 2025	**-**
As at March 31, 2026	**12.22**

Refer note 39 for disclosure on leased assets in accordance with Ind AS 116, 'Leases'.

Note 4A : Intangible assets

Particulars	Software/ Total
Gross block	
As at April 1, 2024	**3.10**
Additions	-
Deletions	-
As at March 31, 2025	**3.10**
Additions	0.39
Deletions	-
As at March 31, 2026	**3.49**
Accumulated amortisation	
As at April 1, 2024	**0.63**
Charge for the year	0.98
Reversal on deletions	-
As at March 31, 2025	**1.61**
Charge for the year	1.00
Reversal on deletions	-
As at March 31, 2026	**2.61**
Net block	
As at March 31, 2025	**1.49**
As at March 31, 2026	**0.88**

Note 4B : Goodwill

Goodwill on consolidation	Total
As at April 1, 2024	**1.91**
Addition during the year	-
As at March 31, 2025	**1.91**
Addition during the year	-
As at March 31, 2026	**1.91**

The Group assesses at each balance sheet date whether there is any indication that goodwill may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. No impairment was required to be provided in any of the aforementioned reported years as per evaluation done by the management.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
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Note 5 : Other financial assets

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Unsecured, considered good				
Security deposits	10.05	0.08	7.78	0.07
Bank deposits with maturity of more than twelve months*	2.12	-	2.02	-
Other receivables				
Insurance receivable	-	0.19	-	1.11
Derivative financial asset	15.28	4.36	-	-
Others	-	0.02	0.01	0.04
Total	**27.45**	**4.65**	**9.81**	**1.22**

* entire amount is held as lien against bank guarantees, letter of credit issued by bank and with the sales tax department.

There are no repatriation restrictions with regard to bank deposits as at the reporting dates.

Refer note 32A for information on credit risk.

Refer note 14A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Group.

Note 6A : Income-tax assets (net)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Advance tax (net of provision for tax)	1.13	-	5.34	-
Total	**1.13**	**-**	**5.34**	**-**

Note 6B : Current tax liabilities (net)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Provision for tax (net of advance tax)	-	0.78	-	-
Total	**-**	**0.78**	**-**	**-**

Note 7 : Other assets

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Capital advance	51.41	-	119.45	-
Advances other than capital advances				
Advance to suppliers	-	52.51	-	11.66
Balances with government authorities	12.77	319.15	13.94	169.08
Prepaid expenses	1.20	6.28	0.97	13.57
Total	**65.38**	**377.94**	**134.36**	**194.31**

There are no advances to directors or other officers of the Group, or any of them either severally or jointly with any other persons, or advances to firms or private companies respectively in which any director is a partner or a director or a member.

Refer note 14A information on assets provided as collateral or security for borrowings or finance facilities availed by the Group.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 8 : Inventories

Valued at lower of cost and net realisable value

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials*	500.04	205.83
Work-in-progress	8.56	7.46
Finished goods ##	147.27	84.66
Intermediate products#	50.56	30.52
Stores and packing materials*	50.67	46.27
Total	**757.10**	**374.74**
*Goods-in-transit included in:		
- Raw materials	188.79	56.82
- Stores and packing materials	1.36	0.06
Write down of inventories to net realisable value**	3.71	3.17
** The impact is considered in "Changes in inventories of finished goods, work-in-progress and stock-in-trade		
## Includes carrying values of inventories valued at fair value less cost to sell	94.38	34.29

Intermediate products are manufactured components which are sold either after further processing or directly without further processing

Refer note 14A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Group.

Note 9 : Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Considered good	217.42	149.16
Less: Allowance for expected credit loss	(0.42)	(0.58)
	217.00	**148.58**
Credit impaired	0.61	0.54
Less: Allowance for expected credit loss	(0.61)	(0.54)
	-	-
Total	**217.00**	**148.58**
i. Dues from directors or other officers of the Group	-	-
ii. Dues from firms or private companies in which any director is a partner or a director or a member	-	-

Movement in the allowance for expected credit loss

Particulars	Amount
As at April 1, 2024	**1.87**
Reversal during the year (net)	(0.75)
As at March 31, 2025	**1.12**
Reversal during the year (net)	(0.09)
As at March 31, 2026	**1.03**

Notes:

(i) The net carrying value of the trade receivable is considered a reasonable approximation of fair value.

(ii) Trade receivables are generally non-interest bearing, immediately due and are generally collected within a period of 30 days.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 9 : Trade receivables (Contd..)

(iii) Refer note 32A for information on credit risk and market risk.

(iv) Refer note 14A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Group.

Trade receivables ageing schedule

As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
(i) Considered good	209.07	0.54	-	0.20	7.61	217.42
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii)Credit impaired	-	-	-	-	-	-
Disputed trade receivables						
(i) Considered good	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii)Credit impaired	-	-	-	-	0.61	0.61

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables						
(i) Considered good	139.92	0.21	0.20	8.83	-	149.16
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii)Credit impaired	-	-	-	-	-	-
Disputed trade receivables						
(i) Considered good	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-
(iii)Credit impaired	-	-	-	-	0.54	0.54

There are no unbilled dues as at the reporting dates.

Note 10 : Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks in current accounts	10.48	30.96
Cash on hand	0.04	0.03
Total	**10.52**	**30.99**

Refer note 32A for information on credit risk and market risk.

Refer note 14A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Group.

There are no repatriation restrictions with regard to cash and cash equivalents as at the reporting dates.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 11 : Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity of more than three months and less than twelve months*	38.23	62.10
Bank deposits with remaining maturity of less than twelve months*#	119.71	42.89
Balances with banks in current accounts##	0.58	2.51
Total	**158.52**	**107.50**

*entire amount is held as lien against bank guarantees and letter of credit issued by the bank.

#includes fixed deposits amounting to ₹ 6.58 Crores earmarked against unspent corporate social responsibility obligations of the Holding Company relating to ongoing projects in accordance with Section 135 of the Act.

##the amount is earmarked for corporate social responsibility expenditure in the scheduled bank as required under section 135 of the Act.

There are no repatriation restrictions with regard to bank balances other than cash and cash equivalents as at the reporting dates.

Refer note 32A for information on credit risk.

Refer note 14A for information on assets provided as collateral or security for borrowings or finance facilities availed by the Group.

Note 12 : Equity share capital

Particulars	Number of shares	Amount
Authorised share capital		
Equity shares of ₹ 10 each		
As at March 31, 2026	9,00,00,000	90.00
As at March 31, 2025	9,00,00,000	90.00
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 10 each		
As at April 1, 2024	**7,19,43,000**	**71.94**
Issued during the year (refer note 43)	1,24,61,059	12.46
As at March 31, 2025	**8,44,04,059**	**84.40**
Issued during the year	-	-
As at March 31, 2026	**8,44,04,059**	**84.40**

a. Terms and rights attached to the equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per equity share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company after distribution of all preferential amounts and liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b. Details of shareholders holding more than 5% shares in the Holding Company:

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares (in nos.)	% of Holding	Number of shares (in nos.)	% of Holding
Equity shares of ₹ 10 each, fully paid-up				
Nimbus Trust	1,04,75,000	12.41%	1,04,75,000	12.41%
P&B Family Trust	1,04,75,000	12.41%	1,04,75,000	12.41%
D&G Family Trust	1,04,75,000	12.41%	1,04,75,000	12.41%
A&J Family Trust	1,04,75,000	12.41%	1,04,75,000	12.41%
Ajaykumar Dattani	62,47,432	7.40%	62,47,432	7.40%

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(All amounts in Rupees Crores, unless otherwise stated)

Note 12 : Equity share capital (Contd..)

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares (in nos.)	% of Holding	Number of shares (in nos.)	% of Holding
Dineshkumar Dattani	57,13,195	6.77%	57,13,195	6.77%
Paresh Dattani	60,48,831	7.17%	60,48,831	7.17%
Anilkumar Dattani	55,82,050	6.61%	55,82,050	6.61%

Above information has been furnished as per records of the Holding Company, including its register of shareholders or members and other declarations received from shareholders regarding beneficial interest. The above shareholding represents both legal and beneficial ownership of shares.

c. Shareholding of promoters of the Holding Company:

As at March 31, 2026

Name of promoter	Shares held by promoters at the end of the year		% change during the year
	Number of shares (in nos.)	% of total shares	
Equity shares of ₹ 10 each, fully paid-up			
Nimbus Trust	1,04,75,000	12.41%	Nil
P&B Family Trust	1,04,75,000	12.41%	Nil
D&G Family Trust	1,04,75,000	12.41%	Nil
A&J Family Trust	1,04,75,000	12.41%	Nil
Ajaykumar Dattani	62,47,432	7.40%	Nil
Dineshkumar Dattani	57,13,195	6.77%	Nil
Paresh Dattani	60,48,831	7.17%	Nil
Anilkumar Dattani	55,82,050	6.61%	Nil

As at March 31, 2025

Name of promoter	Shares held by promoters at the end of the year		% change during the year
	Number of shares (in nos.)	% of total shares	
Equity shares of ₹ 10 each, fully paid-up			
Nimbus Trust	1,04,75,000	12.41%	(2.15%)
P&B Family Trust	1,04,75,000	12.41%	(2.15%)
D&G Family Trust	1,04,75,000	12.41%	(2.15%)
A&J Family Trust	1,04,75,000	12.41%	(2.15%)
Ajaykumar Dattani	62,47,432	7.40%	(2.79%)
Dineshkumar Dattani	57,13,195	6.77%	(3.12%)
Paresh Dattani	60,48,831	7.17%	(2.58%)
Anilkumar Dattani	55,82,050	6.61%	(2.87%)

d. The Holding Company has not issued any bonus shares, neither the Holding Company has bought back any of its shares, nor any shares have been issued pursuant to contract without payment being received in cash during the five years immediately preceding March 31, 2026.

e. Shares reserved for issue under options

Information relating to the Employee Stock Option Plan, 2021 ('ESOP 2021') of the Holding Company, including details of options issued, exercised and lapsed during the year and the options outstanding at the end of the reporting year, is set out under note 40.

Notes to the Consolidated Financial Statements

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(All amounts in Rupees Crores, unless otherwise stated)

Note 12 : Equity share capital (Contd..)

Date of conversion in equity shares:

Particulars	Date of conversion
ESOP 2021	June 30, 2026
	June 30, 2027
	June 30, 2028
	June 30, 2029

Note 13 : Other equity

Particulars	Sub-note	As at March 31, 2026	As at March 31, 2025
Retained earnings	(i)	1,206.81	1,128.77
Securities premium	(ii)	364.14	360.10
General reserve	(iii)	232.39	232.39
Employee stock options outstanding reserve	(iv)	2.99	2.35
Cash flow hedge reserve	(v)	(18.66)	-
Total		**1,787.67**	**1,723.61**

(i) Retained earnings

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1,128.77	968.58
Add: Profit for the year	77.35	160.45
Add: Other comprehensive income / (loss)	0.69	(0.26)
Balance at the end of the year	**1,206.81**	**1,128.77**

(ii) Securities premium

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	360.10	-
Add: On issue of equity shares (refer note 43)	-	360.10
Add: Adjustment/actualisation of share issue expenses	4.04	-
Balance at the end of the year	**364.14**	**360.10**

(iii) General reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	232.39	232.39
Balance at the end of the year	**232.39**	**232.39**

(iv) Employee stock options outstanding reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	2.35	2.06
Add: Share based payment to employees	0.64	0.29
Balance at the end of the year	**2.99**	**2.35**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
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Note 13 : Other equity (Contd..)

(v) Cash flow hedge reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	-	-
Add: Change during the year (net)	(18.66)	-
Balance at the end of the year	**(18.66)**	**-**

Nature and purpose of reserves:

i) Retained earnings

Retained earnings represent the profits earned by the Group till date less any transfers to general reserve, dividends or other distributions to the shareholders.

ii) Securities premium

Securities premium is credited when the shares are issued at premium and is utilised in accordance with provisions of the Act.

iii) General reserve

This represents appropriation of profit by the Group.

iv) Employee stock options outstanding reserve

This represents the fair value of the stock options granted by the Holding Company, accumulated over the vesting period. The reserve will be utilised upon exercise of the options.

v) Cash flow hedge reserve

This represents the cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss.

Note 14A : Borrowings

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Secured				
Term loans (refer notes 1(i) & 1(ii) and 2(i) & 2(ii))				
Rupee loans*	819.33	-	541.51	-
Foreign currency loans	449.36	-	396.23	-
Vehicle loans (refer note 1(ii) and 2(ii) below)	4.17	-	0.46	-
Sub-total (A)	**1,272.86**	**-**	**938.20**	**-**
Current maturities of long term borrowings				
Term loans (refer notes 1(i) & 1(ii) and 2(i) & 2(ii))				
Rupee loans*	-	48.88	-	-
Foreign currency loans	-	64.83	-	48.53
Vehicle loans (refer note 1(ii) and 2(ii) below)	-	1.17	-	1.53
Sub-total (B)	**-**	**114.88**	**-**	**50.06**
Cash credit facilities from banks (refer notes 1(iii) and 2(iii))		59.02		59.91
Working capital demand loans	-	40.48	-	36.00
Sub-total (C)	**-**	**99.50**	**-**	**95.91**
Total (A+B+C)	**1,272.86**	**214.38**	**938.20**	**145.97**

Notes to the Consolidated Financial Statements

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(All amounts in Rupees Crores, unless otherwise stated)

Note 14A : Borrowings (Contd..)

Refer note 32A for information on liquidity risk and market risk.

The Group has utilised the borrowings for the specific purposes for which it was availed.

There are no defaults in the repayment of borrowings and interest during and as at the years ended March 31, 2026 and March 31, 2025.

*During the year, the Holding Company has sold machineries to an independent entity ('lessor') and subsequently entered a contract for the right to use these machineries against monthly payments for a period of 6 years. The contract also gives an option to the Holding Company to repurchase these machineries at the end of six years. Upon evaluation of the transfer in accordance with the requirements of 'Ind AS 115', 'Revenue from Contracts with Customers', the Holding Company has concluded that the transfer does not qualify as a sale, since there is no transfer of control. Accordingly, the Holding Company continues to recognise these machineries as its property, plant and equipment and has recognised a financial liability equal to the amount of proceeds payable, and subsequently measured in accordance with 'Ind AS 109, 'Financial Instruments'. An amount of ₹ 31.77 Crores is included under Rupee Term Loans towards this financial liability.

1) Details of interest rates terms and securities

i) Term loans

(a) Rupee loans and foreign currency loans from banks in India

For the year ended	Number of loans	Rate of interest
March 31, 2026	7	Interest rates range from 1 year Minimum Cost of Funds Based Lending Rate ('MCLR')+0.50% per annum ('p.a.') to 1 year MCLR+1.50% p.a and Alternate Reference Rate ('ARR') + 425 basis point ('bps')+ 6 month MCLR+1.40% p.a.
March 31, 2026	1	1 year MCLR + 0.40%
March 31, 2026	1	1 year MCLR + 0.70%
March 31, 2025	5	Interest rates range from 1 year MCLR+0.50% p.a. to 1 year MCLR+1.50% p.a and ARR + 425 bps.
March 31, 2025	1	1 year MCLR + 0.40%
March 31, 2025	1	1 year MCLR + 0.70%

The various term loans are secured by :

a) First charge on pari-passu basis on hypothecation of PPE of the Holding Company.

b) First charge on pari-passu basis on equitable mortgage of factory, land and building of the Holding Company.

c) First charge on equitable mortgage of office premises on pari-passu basis of the Holding Company.

d) First charge on equitable mortgage of immovable property of one of the directors (common charge for cash credit facilities and Rupee term loans) of the Holding Company.

e) Charge on pari-passu basis for all current assets, both present and future of the Holding Company.

f) Personal guarantees by directors and relatives of directors of the Holding Company.

g) First charge on pari-passu charge by way of equitable mortgage of factory land and building of the subsidiary company.

h) First charge on pari-passu by way of hypothecation of plant and equipments, other movable and PPE (excluding machineries charged with Standard Chartered Bank for certain foreign currency loan) of the subsidiary company.

i) Second pari-passu charge on current assets of the subsidiary company.

j) Personal guarantees of the directors of the subsidiary company.

k) Corporate guarantee given by the Holding Company for loans taken by the subsidiary company.

Notes to the Consolidated Financial Statements

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(All amounts in Rupees Crores, unless otherwise stated)

Note 14A : Borrowings (Contd..)

Following are the amounts of foreign currency loans within India secured by way of aforementioned charges:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Foreign currency loans - within India	-	-	8.00	-
	-	**-**	**8.00**	**-**

(b) Foreign currency loan from banks outside India

For the year ended	Number of loans	Rate of interest
March 31, 2026	1	Euro Interbank Offer Rate + 0.875%
March 31, 2025	1	Euro Interbank Offer Rate + 0.875%

The foreign currency term loans from banks outside India were secured by :

a) Exclusive charge on the machinery financed by the lenders of the subsidiary company.

b) Corporate guarantee from the Holding Company for term loans taken by the subsidiary company.

c) These loans are secured by first and exclusive charge on the Barmag made partially oriented yarn and fully drawn yarn plants and packing automation of the subsidiary company.

Following are the amounts of foreign currency loans outside India secured by way of aforementioned charges:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Foreign currency loans - outside India	449.36	64.83	388.23	48.53
	449.36	**64.83**	**388.23**	**48.53**

ii) Vehicle loans

For the year ended	Number of loans	Rate of interest
March 31, 2026	6	Interest rate ranges from 7.60% p.a to 8.75% p.a.
March 31, 2025	4	Interest rate ranging from 8.70% p.a. to 8.75% p.a.

All the aforementioned vehicle loans were secured against hypothecation of the respective vehicles.

iii) Cash credit facilities and working capital demand loans

For the year ended	Rate of interest
March 31, 2026	Interest rates range from 1 year MCLR+0.50% p.a.+ Strategic Premium ('SP') to 1 year MCLR+1.25% p.a.
March 31, 2025	Interest rates range from 1 year MCLR+0.50% p.a.+ Strategic Premium ('SP') to 1 year MCLR+1.25% p.a.

The aforementioned facilities are secured by first pari-passu charge by way of hypothecation and / or pledge of current assets on all movable assets, both present and future and first charge on equitable mortgage of immovable property of one of the directors (common charge for cash credit facilities and Rupee term loans) of the Holding Company .

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 14A : Borrowings (Contd..)

2) Details of repayment terms

i) Term loans

As at March 31, 2026

Particulars	Number of instalments outstanding as at March 31, 2026	Amount*
Rupee term loans	2 quarterly instalments	14.37
Rupee term loans	3 quarterly instalments	15.60
Rupee term loans	5 quarterly instalments	1.14
Rupee term loans	17 quarterly instalments	127.50
Rupee term loans	52 monthly instalments	67.41
Rupee term loans	24 quarterly instalments	357.45
Rupee term loans	24 quarterly instalments	291.53
Foreign currency term loans	16 semi-annual instalments	35.54
Foreign currency term loans	18 semi-annual instalments	478.66

As at March 31, 2025

Particulars	Number of instalments outstanding as at March 31, 2025	Amount*
Rupee term loans	2 quarterly instalments	6.83
Rupee term loans	3 quarterly instalments	15.81
Rupee term loans	5 quarterly instalments	1.29
Rupee term loans	26 quarterly instalments	314.55
Rupee term loans	26 quarterly instalments	239.38
Foreign currency term loans	18 semi-annual instalments	436.76
Foreign currency term loans	2 quarterly instalments	8.00

*Amounts are exclusive of EIR impact as per Ind AS 109 'Financial instruments'.

ii) Vehicle loans

Particulars	Number of instalments outstanding as at March 31, 2026	Amount*
Vehicle loans	1 monthly instalments	0.01
Vehicle loans	3 monthly instalments	0.08
Vehicle loans	4 monthly instalments	0.15
Vehicle loans	6 monthly instalments	0.21
Vehicle loans	60 monthly instalments	2.55
Vehicle loans	79 monthly instalments	2.34

Particulars	Number of instalments outstanding as at March 31, 2025	Amount*
Vehicle loans	13 monthly instalments	0.42
Vehicle loans	15 monthly instalments	0.34
Vehicle loans	16 monthly instalments	0.61
Vehicle loans	18 monthly instalments	0.62

iii) Cash credit facilities and working capital demand loans

Cash credit facilities and working capital demand loans are repayable on demand.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 14A : Borrowings (Contd..)

3) Details related to borrowings secured against current assets

The Holding Company has given current assets as security for borrowings obtained from banks. The Holding Company duly submitted the required information to the banks on regular basis and the required reconciliation is presented below:

For the year ended March 31, 2026

Quarter ended	Particulars	Amount as per books of account of the Holding company	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
March 31, 2026	Trade receivables	155.24	165.59	(10.35)	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Holding Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more than 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/ statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	558.17	553.59	4.58	No significant variation.
	Other current assets	270.11	112.20	157.91	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.
December 31, 2025	Trade receivables	135.75	138.17	(2.42)	No significant variation.
	Inventories	429.88	424.71	5.17	No significant variation.
	Other current assets	230.22	95.08	135.14	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 14A : Borrowings (Contd..)

Quarter ended	Particulars	Amount as per books of account of the Holding company	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
September 30, 2025	Trade receivables	149.42	136.83	12.59	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Holding Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. For calculating drawing power for book debts, revenue cut off adjustment and receivables aged more than 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	387.86	385.91	1.95	No significant variation.
	Other current assets	191.41	122.32	69.09	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.
June 30, 2025	Trade receivables	168.26	143.06	25.20	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Holding Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more than 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/ statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	348.85	346.02	2.83	No significant variation.
	Other current assets	229.84	150.53	79.31	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 14A : Borrowings (Contd..)

For the year ended March 31, 2025

Quarter ended	Particulars	Amount as per books of account of the Holding company	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
March 31, 2025	Trade receivables	149.23	142.23	7.00	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Holding Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more the 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	357.90	355.79	2.11	No significant variation.
	Other current assets	169.14	112.99	56.15	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.
December 31, 2024	Trade receivables	139.14	130.76	8.38	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Holding Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more the 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 14A : Borrowings (Contd..)

Quarter ended	Particulars	Amount as per books of account of the Holding company	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
	Inventories	365.88	334.11	31.77	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', and purchased inventory goods in transit based on terms of delivery, both pertaining to period end transactions, incorporated by the Holding Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, inventories include Yarn wastage stock and stores and spares stock have not been considered while reporting to the bank.
	Other current assets	588.83	165.19	423.64	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.
September 30, 2024	Trade receivables	156.54	133.50	23.04	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Holding Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more the 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 14A : Borrowings (Contd..)

Quarter ended	Particulars	Amount as per books of account of the Holding company	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
	Inventories	379.51	385.96	(6.45)	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', and purchased inventory goods in transit based on terms of delivery, both pertaining to period end transactions, incorporated by the Holding Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, inventories include Yarn wastage stock and stores and spares stock have not been considered while reporting to the bank.
	Other current assets	277.20	106.33	170.87	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.
June 30, 2024	Trade receivables	158.06	142.73	15.33	The primary reason for variance is owing to adjustment made on account of timing of revenue recognition as per recognition and measurement principles of Ind AS 115, 'Revenue from Contracts with Customers', pertaining to period end transactions, incorporated by the Holding Company while finalising the books of accounts for the period end. Such adjustments were not considered while making submissions to the bankers. Further, for calculating drawing power for book debts, revenue cut off adjustment and receivables aged more the 90 days are not considered as mentioned in the sanction letter. Hence the difference between trade receivables as per books and amount as reported in the quarterly return/statement are on account of revenue cut-off adjustments and receivables aged more than 90 days.
	Inventories	390.38	387.01	3.37	No significant variation.
	Other current assets	333.76	142.73	191.03	Other current assets, inter-alia, including bank deposits, advance to suppliers, balances with government authorities etc have not been considered while reporting to the bank.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 14B : Lease liabilities

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Lease liabilities (refer note 39)	16.04	8.80	-	-
Total	**16.04**	**8.80**	**-**	**-**

Cash flow changes in liabilities arising from financing activities:

Particulars	Borrowings	Lease liabilities	Total
Net debt as at April 1, 2024	**379.88**	**-**	**379.88**
Cash flows	704.04	-	704.04
Unrealised exchange loss	0.25	-	0.25
Finance costs	17.96	-	17.96
Interest paid	(17.96)	-	(17.96)
As at March 31, 2025	**1,084.17**	**-**	**1,084.17**
Cash flows	394.52	-	394.52
Unrealised exchange loss	8.55	-	8.55
Finance costs	94.15	1.70	95.85
Accrued interest on borrowings	5.55	-	5.55
Interest paid	(99.70)	(1.70)	(101.40)
Additions (leases)	-	29.44	29.44
Payment of lease liabilities	-	(4.60)	(4.60)
As at March 31, 2026	**1,487.24**	**24.84**	**1,512.08**

Note 15 : Provisions

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for gratuity (refer note 29)	11.82	3.89	8.98	2.72
Provision for compensated absences	-	0.45	-	0.33
Total	**11.82**	**4.34**	**8.98**	**3.05**

Disclosure for movement in provision for compensated absences:

Particulars	As at March 31, 2026	As at March 31, 2025
Provision at the beginning of the year	**0.33**	**0.26**
Created during the year (net)	0.59	0.50
Paid during the year	(0.47)	(0.43)
Provision at the end of the year	**0.45**	**0.33**

Note 16 : Deferred tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities arising on account of		
On timing difference between depreciation as per books and as per the Income-tax Act, 1961	139.90	85.98
Others	1.43	0.15
	141.33	**86.13**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 16 : Deferred tax liabilities (net) (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets arising on account of		
Unabsorbed depreciation	41.22	0.07
Brought forward losses	10.73	0.52
Provisions for employee benefits	4.74	3.34
Deferred government grants	5.72	0.99
Allowance for expected credit loss	0.26	0.28
Impact of right-of-use assets and lease liabilities	3.18	-
Others	14.25	-
	80.10	**5.20**
Deferred tax liabilities (net)	**61.23**	**80.93**
Entity-wise breakup		
Deferred tax asset	22.62	-
Deferred tax liabilities	83.85	80.93

Movement in deferred tax assets and deferred tax liabilities :

Particulars	As at April 1, 2024	Recognised in profit or loss	Recognised in OCI	Recognised through other items of balance sheet	As at March 31, 2025
Deferred tax liabilities arising on account of					
On timing difference between depreciation as per books and as per the Income-tax Act, 1961	80.85	5.13	-	-	85.98
Others	0.38	(0.23)	-	-	0.15
	81.23	**4.90**	**-**	**-**	**86.13**
Deferred tax assets arising on account of					
Unabsorbed depreciation	-	0.07	-	-	0.07
Brought forward losses	-	0.52	-	-	0.52
Provision for employee benefits	2.97	0.28	0.09	-	3.34
Deferred government grants	0.26	0.73	-	-	0.99
Allowance for expected credit loss	0.47	(0.19)	-	-	0.28
	3.70	**1.41**	**0.09**	**-**	**5.20**
Total deferred tax liabilities (net)	**77.53**	**3.49**	**(0.09)**	**-**	**80.93**

Particulars	As at April 1, 2025	Recognised in profit or loss	Recognised in OCI	Recognised through other items of balance sheet	As at March 31, 2026
Deferred tax liabilities arising on account of					
On timing difference between depreciation as per books and as per the Income-tax Act, 1961	85.98	53.92	-	-	139.90
Others	0.15	0.48	0.80	-	1.43
	86.13	**54.40**	**0.80**	**-**	**141.33**
Deferred tax assets arising on account of					
Unabsorbed depreciation	0.07	41.15	-	-	41.22
Brought forward losses	0.52	10.21	-	-	10.73
Provisions for employee benefits	3.34	1.62	(0.22)	-	4.74
Deferred government grants	0.99	4.73	-	-	5.72
Allowance for expected credit loss	0.28	(0.02)	-	-	0.26

Notes to the Consolidated Financial Statements

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(All amounts in Rupees Crores, unless otherwise stated)

Note 16 : Deferred tax liabilities (net) (Contd..)

Particulars	As at April 1, 2025	Recognised in profit or loss	Recognised in OCI	Recognised through other items of balance sheet	As at March 31, 2026
Impact of right-of-use assets and lease liabilities	-	3.18	-	-	3.18
Others	-	9.58	4.67	-	14.25
	5.20	**70.45**	**4.45**	**-**	**80.10**
Total deferred tax liabilities (net)	**80.93**	**(16.05)**	**(3.65)**	**-**	**61.23**

Note 17 : Other liabilities

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Deferred government grants (refer note 35)	31.18	0.99	17.87	-
Contract liabilities (Revenue received in advance) (refer note 37)	-	5.08	-	7.39
Statutory dues payable	-	5.50	-	3.87
Other liabilities*	-	12.92	-	7.30
Total	**31.18**	**24.49**	**17.87**	**18.56**

* Other liabilities include provision for corporate social responsibility amounting to ₹ 10.42 Crores (March 31, 2025: ₹ 7.30 Crores)

Note 18 : Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of		
micro enterprises and small enterprises #	16.12	7.49
creditors other than micro enterprises and small enterprises *	1,075.01	381.43
Total	**1,091.13**	**388.92**

*includes ₹ 222.03 Crores (March 31, 2025: ₹ 181.93 Crores) being amount payable to vendors secured against letter of credit.

Refer note 32 for information on liquidity risk and market risk.

#The management of the respective entities included in the Group have identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year end have been made in the consolidated financial statements based on information received and available with the management of the Holding Company which has been relied upon by their statutory auditors of the respective entities.

Trade payables ageing schedule:

As at March 31, 2026

Particulars	Outstanding for following periods from date of invoice				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	15.84	0.28	-	-	16.12
(ii) Others	1,033.24	0.52	0.70	-	1,034.46
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Sub-total	**1,049.08**	**0.80**	**0.70**	**-**	**1,050.58**
Add: Unbilled dues (undisputed and related to creditors other than micro enterprises and small enterprises)					40.55
Total					**1,091.13**

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 18 : Trade payables (Contd..)

As at March 31, 2025

Particulars	Outstanding for following periods from date of invoice				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	7.49	-	-	-	7.49
(ii) Others	354.59	2.03	-	-	356.62
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Sub-total	**362.08**	**2.03**	**-**	**-**	**364.11**
Add: Unbilled dues (undisputed and related to creditors other than micro enterprises and small enterprises)					24.81
Total					**388.92**

Note 19 : Other current financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued on borrowings	2.36	7.91
Payable for capital goods	56.12	99.35
Employee related payables*	12.87	9.66
Derivative financial liability	10.59	0.66
Total	**81.94**	**117.58**

*Includes amount payable to related parties (refer note 30(c))

Refer note 32A for information on liquidity risk and market risk.

Refer note 32B for information on derivative financial instruments.

Note 20 : Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	3,738.56	2,927.66
Sale of stock-in-trade	3.99	6.43
	3,742.55	**2,934.09**
Other operating revenue		
Export incentives	3.33	3.31
Sale of scrap	65.30	61.21
Total	**3,811.18**	**2,998.61**

There is no customer individually contributing more than 10% of the revenue from operations.

Reconciliation of gross revenue with the revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contract price	**3,763.56**	**2,950.51**
Less: Discounts and rate differences	(21.01)	(16.42)
Net revenue recognised from operations	**3,742.55**	**2,934.09**

Refer note 37 on disclosures in accordance with Ind AS 115, 'Revenue from Contracts with Customers'.

Notes to the Consolidated Financial Statements

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(All amounts in Rupees Crores, unless otherwise stated)

Note 21 : Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on financial assets at amortised cost		
Bank deposits	5.56	4.82
Income-tax refund	-	0.01
Others	3.16	2.38
Other non-operating income		
Profit on sale of mutual funds	0.80	5.18
Insurance claims	2.36	0.61
Liabilities / provisions no longer required, written back	0.01	0.51
Gain on disposal of property, plant and equipment (net)	4.51	0.11
Unwinding of interest on security deposits	0.09	-
Net gain on foreign currency transactions and translations	2.91	3.12
Total	**19.40**	**16.74**

Note 22 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Finished goods*	147.27	84.66
Intermediate products	50.56	30.52
Work-in-progress	8.56	7.46
	206.39	**122.64**
Inventories at the beginning of the year		
Finished goods*	84.66	91.31
Intermediate products	30.52	28.85
Work-in-progress	7.46	7.50
	122.64	**127.66**
Changes in inventories	**(83.75)**	**5.02**
*inter-alia,includes changes in inventories of waste and scrap	0.08	0.02

Note 23 : Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages*	114.95	93.57
Contribution to provident fund and other funds (refer note 29(b))	3.84	3.17
Share-based payments to employees (refer note 40)	0.64	0.29
Staff welfare expenses	5.85	2.71
Total	**125.28**	**99.74**

*Includes salaries to related parties amounting to ₹ 18.68 Crores (March 31, 2025: ₹ 18.10 Crores) (refer note 30(b))

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 24 : Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense		
On financial liabilities measured at amortised cost		
on term loans	66.45	15.24
on cash credit facilities	5.31	1.13
on lease liabilities (refer note 39)	1.70	-
on others	9.21	1.57
Exchange differences regarded as an adjustment to borrowing costs	13.18	-
Other borrowing costs	-	0.02
Total	**95.85**	**17.96**

Note 25 : Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on PPE (refer note 3A)	89.31	44.88
Depreciation on right-of-use assets (refer note 3C)	2.79	-
Amortisation of intangible assets (refer note 4A)	1.00	0.98
Total	**93.10**	**45.86**

Note 26 : Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Manufacturing expenses		
Consumption of stores and packing materials	166.12	122.07
Repairs and maintenance		
Buildings	0.93	0.55
Plant and equipment	9.05	3.74
Other repairs and maintenance	1.04	1.17
Contract labour charges	111.74	69.39
Power and fuel	343.86	244.12
Other manufacturing expenses	10.98	4.17
Total manufacturing expenses (A)	**643.72**	**445.21**
(B) Selling expenses		
Commission expenses	12.48	11.27
Clearing and forwarding charges	0.85	1.69
Freight expenses	29.92	18.39
Other selling expenses	0.73	1.04
Total selling expenses (B)	**43.98**	**32.39**
(C) Administrative and other expenses		
Rates and taxes	2.23	1.70
Legal and professional charges	6.43	3.07
Electricity expenses	0.29	0.43
Insurance	5.49	3.66
Payment to auditors	0.75	0.66
Security charges	4.27	3.09
Bank charges	10.93	7.02

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 26 : Other expenses (Contd..)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Printing and stationery	0.11	0.10
Communication expenses	0.18	0.33
Travelling and conveyance	9.88	5.32
Effluent treatment plant and greenbelt environmental expenses	0.66	0.56
Rent*	1.12	0.80
Software charges	1.22	0.72
Contribution towards corporate social responsibility	4.05	5.78
(Reversal) for expected credit loss	(0.08)	(0.75)
Directors' sitting fees (refer note 30(b))	0.29	0.48
Office repairs and maintenance	-	0.04
Miscellaneous expenses	2.35	3.56
Total administrative and other expenses (C)	**50.17**	**36.57**
Total other expenses (A + B + C)	**737.87**	**514.17**

*Pertains to rental for short-term leases (refer note 39).

Note 27 : Tax expense

(a) Income-tax expense in the consolidated statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax:		
Current tax on profit for the year	53.50	52.51
	53.50	**52.51**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(16.05)	3.49
Total tax expense	**37.45**	**56.00**

(b) Income-tax on other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2025
Deferred tax credit in respect of current year origination and reversal of temporary differences	(3.65)	(0.09)
	(3.65)	**(0.09)**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit before income-tax	114.80	216.45
Applicable Indian statutory income-tax rate (in %)	25.168%	25.168%
Computed expected tax expense	28.89	54.48
Tax effect of amounts which are not deductible in calculating taxable income	8.56	1.52
Income-tax expenses through the consolidated statement of profit and loss	**37.45**	**56.00**

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Note 28 : Earnings per share ('EPS')

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net profit attributable to equity shareholders	77.35	160.45
Weighted average number of shares		
Considered for calculating basic EPS (Number in Crores)	8.44	7.53
Add : Effect of dilutive potential equity shares arising from outstanding stock options (refer note below)	-	-
Considered for calculating diluted EPS (Number in Crores)	8.44	7.53
Nominal value of each share (in Rupees)	10.00	10.00
EPS		
Basic (in Rupees)	9.16	21.30
Diluted (in Rupees)	9.16	21.30

Note:

The effect of 295,947 potential equity shares outstanding arising from ESOP 2021 outstanding as at March 31, 2026 (March 31, 2025: 260,922) is dilutive. The effect of dilution is below the rounding off norm adopted by the Group.

Note 29 : Employee benefits

a) Defined benefit plan - gratuity

The Group operates one post-employment defined benefit plan i.e., gratuity. The plan (unfunded) is governed by the Payment of Gratuity Act, 1972 wherein employee who has completed continuous service of five years or more is eligible for gratuity on death, resignation, retirement or permanent disablement at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss, consolidated other comprehensive income and the amount recognised in the consolidated balance sheet.

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of the defined benefit obligation at the end of the year		
Non-current	11.82	8.98
Current	3.89	2.72
	15.71	**11.70**

Particulars	March 31, 2026	March 31, 2025
Change in the present value of the defined benefit obligation:		
Defined benefit obligation at the beginning of the year	11.70	10.12
Interest cost	0.79	0.73
Current service cost	1.77	1.30
Past service cost	2.87	-
Benefits paid	(0.51)	(0.80)
Actuarial (gain)/ loss on obligation		
Actuarial (gain)/ loss from changes in financial assumptions	(3.19)	0.29
Experience adjustments	2.28	0.06
Defined benefit obligation at the end of the year	**15.71**	**11.70**
Amount recognised in the consolidated balance sheet:		
Present value of defined benefit obligation at the end of the year	15.71	11.70

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Note 29 : Employee benefits (Contd..)

Particulars	March 31, 2026	March 31, 2025
Expense recognised in consolidated statement of profit and loss:		
Current service cost	1.77	1.30
Past service cost*	2.66	-
Interest cost (net)	0.79	0.73
Net expense recognised in consolidated statement of profit and loss:	**5.22**	**2.03**

*Effective November 21, 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising of four Labour Codes - The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020. On the basis of information and guidance available up to the balance sheet date, the Group using actuarial valuation, has estimated and duly recorded the financial impact of the same in these financial statements.

(Income)/expense recognised in the consolidated other comprehensive income:

Particulars	March 31, 2026	March 31, 2025
Actuarial (gain)/ loss on defined benefit obligation	(0.91)	0.35
	(0.91)	**0.35**

Actuarial assumptions used

Particulars	March 31, 2026	March 31, 2025
Discount rate (% per annum)	7.25% -7.50%	6.75%
Salary growth rate (% per annum)	5.00%	5.00%

Demographic assumptions used

Particulars	March 31, 2026	March 31, 2025
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Attrition rate (% per annum)	5%-13.69%	5%-13.69%
Average future service (in years)	22.50 years - 27.20 years	22.90 years - 26.60 years

These assumptions were developed by the management with the assistance of independent actuary. Discount rate is determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience. The estimate of salary growth rate considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Risk

Factor	Impact
Salary increases	Actual salary increases will increase the obligation. Increase in salary growth rate assumption in future valuations will also increase the obligation.
Discount rate	Reduction in discount rate in subsequent valuations can increase the obligation.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the obligation.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact the obligation.

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Note 29 : Employee benefits (Contd..)

Sensitivity analysis

The consolidated financial statements are sensitive to the actuarial assumptions. The changes to the defined benefit obligation for increase / decrease of 1% from assumed salary growth rate, attrition rate and discount rate are given below. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit obligation at year end.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
Change in the defined benefit obligation	(0.69)	0.77	(0.53)	0.60
Salary growth rate				
Change in the defined benefit obligation	0.78	(0.71)	0.60	(0.55)
Attrition rate				
Change in the defined benefit obligation	0.05	(0.06)	0.02	(0.03)

The sensitivity analysis is based on a change in one assumption while not changing all other assumptions.This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

Sensitivities related to mortality are considered immaterial, therefore the impact of changes stemming from these factors has not been presented.

Maturity analysis of defined benefit obligation (discounted):

Particulars	As at March 31, 2026	As at March 31, 2025
Projected benefits payable in future years from the date of reporting		
One year	3.89	2.72
Two to five years	4.32	3.31
Five years and above	7.50	5.67
The weighted average duration of the defined benefit obligation at the end of the year	14 years -16 years	13 years - 15 years

The Group expects to make a contribution of ₹ 2.20 Crores (March 31, 2025: ₹ 1.68 Crores) to the defined benefit plan during the next financial year.

b) Defined contribution plan

The Group has recognised following expenses in the consolidated statement of profit and loss in respect of the defined contribution plans (refer note 23):

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employer's contribution to provident fund	3.83	3.16
Employer's contribution to Employees' State Insurance Scheme	0.01	0.01

The Group has certain defined contribution plans. Contributions are made to recognised provident fund administered by the Government of India for employees @ 12.00% p.a. of their basic salary subject to mandatory maximum amount as per the regulations. The contribution of the Group is limited to the amount contributed and it has no further contractual obligation.

Notes to the Consolidated Financial Statements

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Note 30: Related party disclosures

In accordance with the requirement of Ind AS 24 'Related Party Disclosures', names of the related parties, their relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place have been furnished as follows:

a) List of related parties and nature of relationships:

Nature of relationship	Name of the related party
Key managerial personnel ('KMP')	Paresh Dattani, Chairman and Managing Director
	Ajaykumar Dattani , Joint Managing Director
	Anilkumar Dattani, Executive Director
	Sammir Dattani, Executive Director (with effect from May 26, 2025)
	Dinesh Dattani, Executive Director (up to May 26, 2025)
Close members of KMP	Mikesh Dattani
	Aakash Dattani
	Sammir Dattani (up to May 26, 2025)
	Dinesh Dattani (with effect from May 26, 2025)
	Varun Dattani
	Beena Dattani
Independent directors	Debabrata Sarkar
	Khurshed Thanawalla
	Vinay Aggarwal
	Rupal Vora
Enterprise over which KMP are able to exercise significant influence	Nimbus Trust
	P&B Family Trust
	D&G Family Trust
	A&J Family Trust
	Dattani Foundation

Names above have been disclosed to the extent transactions have taken place.

b) Transactions during the year

Name of related parties	Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) KMP			
Ajaykumar Dattani	Salaries, wages and bonus	4.00	4.00
Anilkumar Dattani	Salaries, wages and bonus	4.00	4.00
Paresh Dattani	Salaries, wages and bonus	4.00	4.00
Sammir Dattani	Salaries, wages and bonus (with effect from May 26, 2025)	3.33	0.90
Dinesh Dattani	Salaries, wages and bonus	0.30	1.60
(ii) Independent directors			
Debabrata Sarkar	Directors' sitting fees	0.07	0.12
Khurshed Thanawalla	Directors' sitting fees	0.08	0.12
Vinay Aggarwal	Directors' sitting fees	0.07	0.12
Rupal Vora	Directors' sitting fees	0.07	0.12
(iii) Close members of KMP			
Varun Dattani	Salaries, wages and bonus	1.00	1.00
Aakash Dattani	Salaries, wages and bonus	0.60	0.02
Sammir Dattani	Salaries, wages and bonus (up to May 26, 2025)	0.37	1.50
Mikesh Dattani	Salaries, wages and bonus	1.00	1.00
Beena Dattani	Salaries, wages and bonus	0.08	0.08

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Note 30: Related party disclosures (Contd..)

c) Balances outstanding at the year end:

Name of related parties	Nature of balances	March 31, 2026	March 31, 2025
(i) KMP			
Ajaykumar Dattani	Employee related payables	0.26	0.19
Anilkumar Dattani	Employee related payables	0.20	0.20
Paresh Dattani	Employee related payables	0.20	0.20
Sammir Dattani	Employee related payables	0.20	-
Dinesh Dattani	Employee related payables	-	0.11
(ii) Close members of KMP			
Varun Dattani	Employee related payables	0.06	0.06
Mikesh Dattani	Employee related payables	0.06	0.06
Sammir Dattani	Employee related payables	-	0.10
Aakash Dattani	Employee related payables	0.04	0.02
Beena Dattani	Employee related payables	0.00	0.01

d) Additional disclosure in respect of compensation to KMP

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Short-term employee benefits	15.63	14.50
(ii) Post-employment benefits	-	-
(iii) Other long-term benefits (refer note 1 below)	-	-
(iv) Termination benefits	-	-
(v) Share-based payment	-	-

Notes:

1. The remuneration to the KMP and close members of KMP does not include the provision made for gratuity, as gratuity for the Group is determined on an actuarial basis for each respective company within the Group, as a whole.
2. For personal guarantees and securities given by related parties, refer note 14A.
3. All the related party transactions are made on terms equivalent to those that prevail in an arm's length transaction.
4. Employee related payables are unsecured and due to be paid over next 12 months in cash.
5. There are no commitments with any related party, during the year and as at year end.

Note 31 : Financial instruments

i) Fair values hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under Ind AS 113, 'Fair Value Measurements'.

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are based on observable market data (unobservable inputs).

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Note 31 : Financial instruments (Contd..)

Financial assets measured at fair value - recurring fair value measurements

Particulars	Level 1	Level 2	Level 3	Total
March 31, 2026				
Financial assets				
Measured at FVTPL				
Foreign exchange forward contracts	-	4.36	-	4.36
Derivative financial asset	-	15.28	-	15.28
Financial liabilities				
Measured at FVTPL				
Derivative financial liability	-	10.59	-	10.59
Financial liabilities				
Measured at FVTPL				
Foreign exchange forward contracts	-	0.66	-	0.66

ii) Valuation techniques used to determine fair value

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods were used to estimate the fair values:

- Other non-current financial assets and liabilities including lease liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to be approximate to their fair value.
- Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Borrowings taken by the Group are as per the Group's credit and liquidity risk assessment and there is no comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the borrowings represents the best estimate of its fair value.
- Lease liabilities: Lease liabilities are initially recognised at the present value of the future lease payments discounted using the incremental borrowing rates, which is considered to be approximate to the fair value.
- Derivative financial assets and liabilities: The Group enters into derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are determined using forward exchange rates at the reporting date. The foreign currency options have been valued by applying the Garman-Kohlhagen method of valuation for foreign exchange options. The interest rate swaps are valued using discounted cash flow method (DCF).

Fair value of assets and liabilities which are measured at amortised cost for which fair value are disclosed:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Trade receivables	217.00	217.00	148.58	148.58
Cash and cash equivalents	10.52	10.52	30.99	30.99
Bank balances other than cash and cash equivalents	158.52	158.52	107.50	107.50
Other financial assets	32.10	32.10	11.03	11.03
Financial liabilities				
Borrowings	1,487.24	1,487.24	1,084.17	1,084.17
Lease liabilities	24.84	24.84	-	-
Trade payables	1,091.13	1,091.13	388.92	388.92
Other financial liabilities	81.94	81.94	116.26	116.26

*For financial assets and liabilities that are measured at fair value, the carrying values are considered equal to the fair values.

iii) There have been no transfers amongst the levels of fair value hierarchy during the year.

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Note 32 : Financial risk management

A) Financial risk management

i) Financial instruments by category

Particulars	As at March 31, 2026			As at March 31, 2025		
	At cost	FVTPL	Amortised cost	At cost	FVTPL	Amortised cost
Financial assets						
Trade receivables	-	-	217.00	-	-	148.58
Cash and cash equivalents	-	-	10.52	-	-	30.99
Bank balances other than cash and cash equivalents	-	-	158.52	-	-	107.50
Derivative financial asset	15.28	4.36	-	-	-	-
Other financial assets	-	-	12.46	-	-	11.03
Total	**15.28**	**4.36**	**398.50**	**-**	**-**	**298.10**
Financial liabilities						
Borrowings	-	-	1,487.24	-	-	1,084.17
Lease liabilities	-	-	24.84	-	-	-
Trade payables	-	-	1,091.13	-	-	388.92
Derivative financial liability	10.59	-	-	-	0.66	-
Other financial liabilities	-	-	71.35	-	-	116.92
Total	**10.59**	**-**	**2,674.56**	**-**	**0.66**	**1,590.01**

a) The carrying value of trade receivables, cash and cash equivalents, other bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.

b) The carrying value of borrowings, lease liabilities, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of their respective fair value.

ii) Financial risk management

The Group's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

The risk assessment, management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors and the relevant Committees of the respective companies are responsible for overseeing the Group's risk assessment and management policies and processes. The Group's financial risk management policy is set by the Holding Company's management.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base and credit limits
Liquidity risk	Borrowings, trade payables, lease liabilities and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Borrowings taken at floating rates
Market risk - foreign exchange	Receivables and payables in other than functional currency	Sensitivity analysis	Hedging through forward contracts
Market risk - price risk	Investment in mutual funds	Sensitivity analysis	Portfolio diversification

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Note 32 : Financial risk management (Contd..)

a) Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of allowance for expected credit loss for trade receivables.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers. Also, forward-looking information is also incorporated into expected of expected credit losses, including the use of macroeconomic information.

In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The Group has limited history of customer default, and considers the credit quality of trade receivables for evaluation of allowance for expected credit loss. The credit risk on liquid funds such as balance in current and deposit accounts with banks is limited because the counterparties are banks with high credit-ratings.

Credit risk exposure

i) Expected credit loss on trade receivables under simplified approach

As at March 31, 2026	0-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due	Total
Trade receivables	173.06	18.77	7.63	18.57	218.03
Allowance for expected credit loss	0.20	-	0.01	0.82	1.03
Carrying amount of trade receivables	**172.86**	**18.77**	**7.62**	**17.75**	**217.00**
Expected credit loss rate	**0.12%**	**0.01%**	**0.06%**	**4.42%**	**0.47%**

As at March 31, 2025	0-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due	Total
Trade receivables	118.76	16.79	2.23	11.92	149.70
Allowance for expected credit loss	0.29	0.01	0.02	0.80	1.12
Carrying amount of trade receivables	**118.47**	**16.78**	**2.21**	**11.12**	**148.58**
Expected credit loss rate	**0.24%**	**0.07%**	**0.89%**	**6.69%**	**0.75%**

ii) Expected credit loss for other financial assets

As at March 31, 2026	Amount	Expected credit loss	Carrying amount net of allowance
Cash and cash equivalents	10.52	-	10.52
Bank balances other than cash and cash equivalents	158.52	-	158.52
Other financial assets	32.10	-	32.10

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Note 32 : Financial risk management (Contd..)

As at March 31, 2025	Amount	Expected credit loss	Carrying amount net of allowance
Cash and cash equivalents	30.99	-	30.99
Bank balances other than cash and cash equivalents	107.50	-	107.50
Other financial assets	11.03	-	11.03

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk management rests with the respective Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and by monitoring rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The tables below provides details regarding the contractual maturities of financial liabilities into relevant maturity groupings:

As at March 31, 2026	On demand	Up to one year	One to five years	More than five years	Total
Non-derivatives					
Borrowings	99.50	114.88	610.74	662.12	1,487.24
Lease liabilities	-	10.76	17.39	-	28.15
Trade payables*	-	1,091.13		-	1,091.13
Other financial liabilities	-	71.35	-	-	71.35
Total non-derivative financial liabilities	**99.50**	**1,288.12**	**628.13**	**662.12**	**2,677.87**
Derivatives					
Derivative financial liability (designated as derivative instrument)	-	10.59	-	-	10.59
Total derivative financial liabilities		**10.59**	**-**	**-**	**10.59**

As at March 31, 2025	On demand	Up to one year	One to five years	More than five years	Total
Non-derivatives					
Borrowings	95.91	50.06	441.28	496.92	1,084.17
Trade payables*	-	388.92	-	-	388.92
Other financial liabilities	-	116.92	-	-	116.92
Total non-derivative financial liabilities	**95.91**	**555.90**	**441.28**	**496.92**	**1,590.01**
Derivatives					
Derivative financial liability (designated as derivative instrument)	-	0.66	-	-	0.66
Total derivative financial liabilities	**-**	**0.66**	**-**	**-**	**0.66**

*Trade payables are generally non-interest bearing and are normally settled in line with respective industry norms.

Notes to the Consolidated Financial Statements

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(All amounts in Rupees Crores, unless otherwise stated)

Note 32 : Financial risk management (Contd..)

c) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk sensitive financial instruments and all short term and long-term debt. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, trade payables, trade receivables, investments, derivative financial instruments and other financial instruments. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities.

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's foreign exchange risk arises from its foreign currency borrowings, trade receivables and trade payables denominated in foreign currencies. The results of the Group's operations can be affected as the Indian Rupees ('INR') is volatile against foreign currencies. The Group enters into derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and also inherent hedging as it is engaged in the export of manufactured products. The Group has a treasury team which monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Group.

The following table sets forth information relating to foreign currency exposure

Particulars	As at March 31, 2026		As at March 31, 2025	
	Foreign currency (in units)	Rupees (in crores)	Foreign currency (in units)	Rupees (in crores)
Liabilities				
Borrowings *				
- EURO	5,32,893	5.81	4,51,86,326	417.18
Trade payables/ Other financial liabilities				
- United States Dollar ('USD')	1,10,39,069	104.49	79,07,290	67.67
- EURO	22,55,698	24.59	42,76,931	39.49
- Japanese Yen ('JPY')	7,43,23,200	4.41	6,75,24,000	3.94
- Swiss Franc (CHF)	1,23,050	1.46	-	-
Assets				
Trade receivables				
- USD	13,75,426	13.02	15,33,122	13.12
Bank balance				
- USD	2,02,085	1.91	1,97,992	1.69

The abovementioned exposure is unhedged

* Amounts are exclusive of EIR impact as per Ind AS 109 'Financial Instruments'

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Note 32 : Financial risk management (Contd..)

Foreign currency sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in different foreign exchange rates with INR, with all other variables held constant. The impact on the Group's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Impact on consolidated statement of profit and loss/ equity March 31, 2026		Impact on consolidated statement of profit and loss/ equity March 31, 2025	
5% movement	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
On foreign currency assets and liabilities				
- USD	(4.48)	4.48	(2.64)	2.64
- EURO	(1.52)	1.52	(22.83)	22.83
- JPY	(0.22)	0.22	(0.20)	0.20
- CHF	(0.07)	0.07	-	-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

a. Interest rate risk exposure

The Group enters into interest rate swaps ('IRS') to manage exposure on its fixed rate or variable rate debt.

Particulars	As at March 31, 2026	As at March 31, 2025
The fair value of interest rate swaps ('IRS')	5.52	-

As at March 31, 2026 and March 31, 2025, underlying exposure to IRS was ₹ 508.39 Crores and Nil respectively which was subject to variable interest rates.

The gain due to fluctuation in fair value of IRS, recognised in the Other Comprehensive Income was ₹ 5.52 Crores and Nil for the year ended March 31, 2026 and March 31, 2025 respectively.

The exposure of Group's borrowing to interest rate changes at the end of the reporting year are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Floating rate instruments:		
Borrowings	947.09	1,084.17

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Note 32 : Financial risk management (Contd..)

b. Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for borrowings at the end of the reporting year and the stipulated change taking place at the beginning of the year and held constant throughout the reporting year in case of borrowings that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective year and consequent effect on Group's profit or loss before tax and equity in that year would have been as below:

Particulars	Impact on profit before tax/ equity	
	March 31, 2026	March 31, 2025
Floating rate instruments:		
50 basis points increase	(4.74)	(5.42)
50 basis points decrease	4.74	5.42

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(iii) Price risk

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Group has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. However, the Group did not have any such investments as at March 31, 2026 and March 31, 2025.

B) Derivative financial instruments (designated as derivative instrument):

The Group holds derivative financial instrument i.e., foreign currency forward contracts and foreign currency options to mitigate the risk of changes in exchange rate on foreign currency. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs which are directly or indirectly observable in the marketplace.

a) The following tables give details in respect of outstanding foreign exchange forward contracts:

Particulars	Buy / sell	As at March 31, 2026	
		Foreign currency (in units)	Fair value (in ₹ Crores)
Foreign currency forward contracts in - USD	Buy	2,10,43,719	200.01
Foreign currency options in - EURO	Buy	4,66,38,356	(0.83)

Particulars	Buy / sell	As at March 31, 2025	
		Foreign currency (in units)	Fair value (in ₹ Crores)
Foreign currency forward contracts in - USD	Buy	63,43,922	54.29

Accounting for cash flow hedge

The objective of hedge accounting is to represent, in the Group's financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Group makes use of derivative financial instruments for hedging the risk arising on account of changes in foreign exchange rates on foreign currency borrowings and changes in interest rates thereon due to floating nature of interest.

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as at and for the year ended March 31, 2026
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Note 32 : Financial risk management (Contd..)

The Group has an approved policy on assessment, measurement and monitoring of hedge effectiveness which provides guidelines for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effectiveness position from an accounting and risk hedging perspectives. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness on a prospective basis. The prospective hedge effectiveness test is a forward-looking evaluation of whether or not the changes in the fair value or cash flow of the hedging position are expected to be highly effective in offsetting changes in the fair value or cash flows of the hedged position over the term of the relationship.

For derivative financial instruments designated as hedge, the Group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective and strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge the risk arising on changes in foreign exchange rates on foreign currency borrowings and changes in interest rates thereon due to floating nature of interest.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency/reference interest rates, contract amount and timing of their respective cash flows.

Hedge effectiveness is assessed through the application of dollar offset method where the change in the value of the swap and the hedged item is calculated by giving a shock to the interest rate and spot rate as on the valuation date. Hedge effectiveness is calculated using the change in value of hedging instrument divided by change in value of hedged item. Further, qualitative assessment is done to test the hedge effectiveness. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

b) The following are outstanding options contracts, which have been designated as cash flow hedges

Particulars	As at March 31, 2026			As at March 31, 2025		
	No. of contract	Notional amount of contract in EURO	Fair value ₹ in Crores	No. of contract	Notional amount of contract	Fair value ₹ in Crores
Foreign currency options	2	4,66,38,356	(0.83)	-	-	-
Interest rate swap	2	4,66,38,356	5.52	-	-	-

Recognition of gains under forward exchange, currency options and interest rates swaps contracts

Particulars	As at March 31, 2026		As at March 31, 2025	
	Effective hedge (OCI)	Ineffective hedge (Profit & Loss)	Effective hedge (OCI)	Ineffective hedge (Profit & Loss)
Gain	18.66	-	-	-

Refer statement of changes in equity for movement in cash flow hedge reserve.

The effect of hedge accounting on the Group's consolidated balance sheet and performance is as follows, including the outline timing and profile of the hedging instruments:

Particulars	As at March 31, 2026	As at March 31, 2025
Line items affected in Balance Sheet		
- Other financial liabilities	10.59	-
- Other financial assets	15.28	-

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Note 32 : Financial risk management (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
Notional amount		
- Foreign currency options	4,66,38,356	-
- Interest rate swap	4,66,38,356	-
Hedge ratio	1:1	-
Maturity date	October 2033/ March 2035	-
Average rate		
- Average option strike rate (₹/ Euro)	103.41	
- Average interest swap rate	3.55% p.a.	
Amounts in the cash flow hedge reserve	(18.66)	-

Note 33 : Capital management

The Group's objective while managing capital is to safeguard its ability to continue as a going concern, maintain an optimal and efficient capital structure and reduce the cost of capital.

The management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group is not subject to externally imposed capital requirements.

The Group has complied with debt covenants as per the terms of the borrowing facility arrangements. The Group manages its capital requirements by overseeing the gearing ratio.

Particulars	As at March 31, 2026	As at March 31, 2025
Debt (excluding accrued interest)#	1,512.08	1,084.17
Total equity	1,872.07	1,808.01
Gearing ratio (in %)	**80.77%**	**59.96%**

#Debt includes non-current borrowings, current borrowings and lease liabilities.

No changes were made in the objectives, policies or processes for managing capital in aforementioned years.

The Group has complied with debt covenants as per the terms of the borrowing facility arrangements.

Note 34 : Contingent liabilities and commitments

i) Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
a) Central excise matters	5.08	5.08
b) Income-tax matters (refer note 4 below)	1.48	2.38
c) Goods and service tax matters	-	0.47
d) Sales tax matters	0.22	0.22
e) Customs duty (refer note 5 below)	78.92	73.47

Notes:

1. It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

2. The amounts disclosed above represent the best possible estimates arrived at on the basis of available information and does not include penalty, if any.

Notes to the Consolidated Financial Statements

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Note 34 : Contingent liabilities and commitments (Contd..)

3. The Group is contesting all of the above demands and the management believes that its positions are likely to be upheld at the appellate stage. The management believes that the ultimate outcomes of these proceedings are not expected to have a material impact on the Group's consolidated financial statements and hence no provisions have been made in this regard.

4. An amount of ₹0.11 Crores (March 31, 2025: ₹0.16 Crores) has been paid under protest towards income-tax matters.

5. One of the subsidiary companies has contingent liabilities amounting to ₹ 78.92 Crores (March 31, 2025: ₹ 73.47 Crores) towards customs duty pertaining to capital goods imported under the 'Manufacturing and Other Operations in Warehouse ('MOOWR') Scheme, contingent upon compliance with specified conditions under the said scheme.

ii) Commitments

Commitments of capital nature as at the reporting date amounts to pending ₹ 168.12 Crores (March 31, 2025: ₹385.29 Crores), in addition to the commitment towards export obligation stated under note 35, 'Government grants'.

Note 35 : Government grants

The disclosures pursuant to Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' are as follows:

Particulars	March 31, 2026	March 31, 2025
Deferred government grants at beginning of the year	17.87	1.04
Government grant received during the year	15.91	18.43
Government grant offered to consolidated statement of profit and loss during the year	(1.61)	(1.60)
Deferred government grants as at the end of the year	**32.17**	**17.87**
Current	0.99	-
Non-current	31.18	17.87

Notes:

Government grants relating to PPE pertain to duty saved on import of capital goods and spares under the Export Promotion Capital Goods scheme. Under this scheme, the Group is committed to export prescribed times of the duty saved on import of capital goods and spares over a specified period of time. In case such commitments are not met, the Group would be required to pay the duty saved along with interest to the regulatory authorities.

The primary conditions attached to the aforementioned grants is the fulfilment of export obligations, and thus, the grant is recognised in the consolidated statement of profit and loss to the extent such obligations have been fulfilled.

Pending export obligations attached to above grants as at March 31, 2026 amounts to ₹193.02 Crores (March 31, 2025: ₹107.23 Crores).

Note 36 : Segment reporting

(a) Operating segment

Ind AS 108 'Operating Segments' ('Ind AS 108') establishes standards for the way that business enterprises report information about operating segments and related disclosures about revenue, geographic areas and major customers. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker ('CODM') monitors and reviews the operating results of the Group as one segment i.e., 'Yarn manufacturing'. Since the entire business falls within a single operational segment, these consolidated financial statements are reflective of the information required by Ind AS 108.

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Note 36 : Segment reporting (Contd..)

(b) Geographical segment

(i) Revenue from operations disaggregated based on geography

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
India	3,701.78	2,889.93
Outside India	109.40	108.68
Revenue from operations	**3,811.18**	**2,998.61**

Note: Considering the nature of business in which the Group operates, the Group deals with various customers across multiple geographies. None of the geographies outside India contribute materially to the revenue of the Group.

(ii) Non-current assets based on geography (location of assets)

Particulars	As at March 31, 2026	As at March 31, 2025
India	3,174.41	2,638.20
Outside India	10.29	25.17
Segment assets	**3,184.70**	**2,663.37**
Unallocable	3.25	7.36
Total non-current assets	**3,187.95**	**2,670.73**

Note 37 : Revenue from operations

(a) Performance obligation

The performance obligation of Group is satisfied at a point in time.

Revenue from sale of products and stock-in-trade

Revenue from sale of products and stock-in-trade is recognised when the Group satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the goods which is generally on dispatch of products or on delivery of products in case of domestic sales and on delivery in case of export sales.

(b) Revenue from contract with customers

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	3,738.56	2,927.66
Sale of stock-in-trade	3.99	6.43
	3,742.55	**2,934.09**

(c) The following is an break up of the Group's revenue (including other operating revenue) from its products

Product	For the year ended March 31, 2026	For the year ended March 31, 2025
Polyester yarn products	3,118.31	2,305.63
Cotton yarn products	583.00	568.06
Industrial and technical textile yarns	109.87	124.92
	3,811.18	**2,998.61**

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Note 37 : Revenue from operations (Contd..)

(d) Trade receivables

The outstanding balance of trade receivables after considering allowance for expected credit loss are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025	As at April 1, 2024
Trade receivables	217.00	148.58	125.68

(e) Contract balances

The information about contract liabilities from contract with customers is presented in note 17.

(f) Significant changes in the contract liabilities balances during the year are as follows:

Contract liabilities - Revenue received in advance

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	7.39	6.85
Add: Addition during the year	5.08	7.39
Less: Amount of revenue recognised during the year	(7.39)	(6.85)
Balance at the end of the year	**5.08**	**7.39**

The aggregate amount of transaction price allocated to the performance obligations (yet to be completed) as at year end is ₹ 5.08 crores (March 31, 2025: ₹ 7.39 crores). This balance represents the advance received from customers (gross) against sale of products. The management expects to further bill and collect the remaining balance of total consideration within next 12 months. These balances will be recognised as revenue in subsequent year as per the policy of the Group.

(g) Revenue from sale of products and stock-in-trade does not includes any significant financing component. Customers are required to pay interest if the payment is made after the contractual due date.

(h) Refer note 36(b) for geographical disaggregation of revenue.

(i) The Group does not have any significant obligations for returns or refunds.

Note 38: Additional information pursuant to schedule III of the Act of the entities consolidated within the Group:

Name of the entity in the Group	As at and for the year ended March 31, 2026			
	Net assets (total assets minus total liabilities)	Share in profit / (loss) for the year	Share in other comprehensive income	Share in total comprehensive income
Parent				
Sanathan Textiles Limited				
% of the consolidated amounts	108.46%	248.09%	(3.28)%	324.18%
Amount*	2,030.50	191.91	0.59	192.50
Subsidiary companies (group's share)				
Sanathan Polycot Private Limited				
% of the consolidated amounts	31.22%	(147.24)%	103.28%	(223.07)%
Amount*	584.52	(113.90)	(18.56)	(132.46)
Universal Texturisers Private Limited				
% of the consolidated amounts	0.34%	(1.77)%	-	(2.31)%
Amount*	6.41	(1.37)	-	(1.37)

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(All amounts in Rupees Crores, unless otherwise stated)

Note 38: Additional information pursuant to schedule III of the Act of the entities consolidated within the Group: (Contd..)

Name of the entity in the Group	As at and for the year ended March 31, 2026			
	Net assets (total assets minus total liabilities)	Share in profit / (loss) for the year	Share in other comprehensive income	Share in total comprehensive income
Inter-company eliminations				
% of the consolidated amounts	(40.02)%	0.92%	-	1.20%
Amount	(749.36)	0.71	-	0.71
Total (%)	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Total (Amount)	**1,872.07**	**77.35**	**(17.97)**	**59.38**

Name of the entity in the Group	As at and for the year ended March 31, 2025			
	Net assets (total assets minus total liabilities)	Share in profit / (loss) for the year	Share in other comprehensive income	Share in total comprehensive income
Parent				
Sanathan Textiles Limited				
% of the consolidated amounts	101.39%	108.74%	84.62%	108.78%
Amount*	1,833.13	174.47	(0.22)	174.25
Subsidiary companies (group's share)				
Sanathan Polycot Private Limited				
% of the consolidated amounts	33.82%	(8.87)%	17.42%	(8.91)%
Amount*	611.45	(14.23)	(0.05)	(14.28)
Universal Texturisers Private Limited				
% of the consolidated amounts	0.43%	0.18%	-	0.18%
Amount*	7.79	0.29	-	0.29
Inter-company eliminations				
% of the consolidated amounts	(35.64)%	(0.05)%	(2.04)%	(0.05)%
Amount	(644.36)	(0.08)	0.01	(0.07)
Total (%)	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Total (Amount)	**1,808.01**	**160.45**	**(0.26)**	**160.19**

*Before eliminating inter-group transactions and inter-group balances.

Note 39 : Leases

The Group's leases consists of leases of machineries, including machines which were sold and leased back from the lessor. In the consolidated statement of profit and loss, the nature of expenses in respect of these leases are recognised as interest on lease liability and depreciation of right-of-use assets.

The Group's leased assets also consist of leases for staff quarters and offices, having varied lease terms with non-cancellable period not exceeding 12 months. The Group has elected recognition exemption for short-term leases and therefore, the lease payments related to such arrangements are charged to the consolidated statement of profit and loss under the head 'Rent' included in other expenses.

The disclosures required in accordance with Ind AS 116, 'Leases' are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation charge of right-of-use assets	2.79	-
Interest expense on lease liabilities	1.70	-
Expenses relating to short-term leases	1.12	0.80

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Note 39 : Leases (Contd..)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total cash outflow for leases		
- Leases for which lease liability is measured in accordance with Para 27 of Ind AS 116	6.30	-
- Others	1.12	0.80
Additions to ROU assets	15.01	-

The Group has discounted lease payments using the incremental borrowing rate of 10.25% p.a. for these leases.

Following are the carrying amounts of lease liabilities and right-of-use assets

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities		
- Current	8.80	-
- Non-current	16.04	-
Right-of-use assets	12.22	-

Lease commitments for short-term leases as at March 31, 2026 amounts to ₹ 0.38 Crores (March 31, 2025: ₹ 0.36 Crores).

Further, the Group has not entered into any lease arrangement of low-value assets and did not generate income from subleasing right-of-use assets.

The maturity analysis of lease liabilities is presented under note 32A(b).

Particulars of sale and leaseback transaction entered during the year:

The Group entered into a sale and leaseback arrangement in respect of two machineries by selling these machineries for a total consideration of ₹ 25.00 Crores and leasing them back for a period of 3 years with quarterly lease payments amounting ₹ 2.60 Crores .

Accordingly, the aforesaid transaction has been accounted for in accordance with paragraphs 98–103 of Ind AS 116, 'Leases'. The Group has recognised right-of-use assets measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group and a corresponding lease liability measured at the present value of future lease payments, discounted using the incremental borrowing rate.

The Group has recognised a gain on such sale and leaseback amounting to ₹ 4.55 Crores, which represents only the portion of the gain attributable to the rights transferred to the buyer-lessor. Cash outflow towards payment of these leases amounts during the year ended March 31, 2026 amounts to ₹ 6.13 Crores (March 31, 2025: Nil).

Note 40 : Share-based payments

Equity settled share-based payments

The members of the Holding Company had approved the Employee Stock Option Plan, 2021 ('ESOP 2021') at the Annual General Meeting held on November 25, 2021. The plan envisaged the grant of options to eligible employees. The holder of each option is eligible for one fully paid up equity share of the Holding Company. According to the scheme, the employees selected by the Nomination and Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions.

Modification of ESOP 2021

On April 22, 2025, the Nomination and Remuneration Committee ("NRC") of the Holding Company approved a modification to the ESOP 2021, involving the repricing of outstanding stock options granted during the year ended March 31, 2022.

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Note 40 : Share-based payments (Contd..)

The aforesaid modification was undertaken with the objective of aligning the interests of employees with those of the management and shareholders. The repricing was subsequently ratified by the shareholders of the Holding Company through a special resolution passed via postal ballot on April 07, 2025.

Pursuant to the said modification, the exercise price of the eligible outstanding options was revised to ₹ 426.15 per option.

In accordance with Ind AS 102, 'Share-based Payment', the Group has accounted for the modification by recognising the incremental fair value, being the excess of the fair value of the modified option over the fair value of the original option immediately before the modification date, over the remaining vesting period.

A summary of general terms (modified) of grants under ESOP 2021 are as follows:

Tranch 1

Grant date	December 10, 2021
Number of options granted	322,000
Vesting period (in years)	Over the period of 4 years
Vesting 1	15 % of the options will vest from the end of 2.5 years from date of grant (i.e. June 30, 2024)
Vesting 2	20 % of the options will vest from the end of 3.5 years from date of grant (i.e. June 30, 2025)
Vesting 3	25 % of the options will vest from the end of 4.5 years from date of grant (i.e. June 30, 2026)
Vesting 4	40 % of the options will vest from the end of 5.5 years from date of grant (i.e. June 30, 2027)
Exercise period (in years)	2 years from the date of vesting
Exercise price per option (₹)	426.15

Tranch 2

Grant date	April 22, 2025
Number of options granted	81,500
Vesting period (in years)	Over the period of 4 years
Vesting 1	15 % of the options will vest from the end of 1.2 years from date of grant (i.e. June 30, 2026)
Vesting 2	20 % of the options will vest from the end of 2.2 years from date of grant (i.e. June 30, 2027)
Vesting 3	25 % of the options will vest from the end of 3.2 years from date of grant (i.e. June 30, 2028)
Vesting 4	40 % of the options will vest from the end of 4.2 years from date of grant (i.e. June 30, 2029)
Exercise period (in years)	2 years from the date of vesting
Exercise price per option (₹)	426.15

The details of activity under the ESOP 2021 plan is summarised below :

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of options	* WAEP (₹)	No. of options	* WAEP (₹)
Outstanding at the beginning of the year	2,43,259	550.00	2,75,000	550.00
Granted during the year	81,500	426.15	-	-
Forfeited during the year	32,569	426.15	31,741	550.00
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,92,190	426.15	2,43,259	550.00
Exercisable at the end of the year	76,367	426.15	36,489	550.00

* WAEP denotes weighted average exercise price of the option

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Note 40 : Share-based payments (Contd..)

The weighted average fair value of options outstanding as at the year end for Tranch 1 is ₹ 150.15 (March 31, 2025: ₹ 113.90) and for Tranch 2 is ₹ 178.02 (March 31, 2025: Nil) for each option. The weighted average of remaining contractual life of options outstanding for Tranch 1 is 2.15 years (March 31, 2025: 3.15 years) and for Tranch 2 is 4.15 years

The fair value of the options granted at the grant date has been calculated as per the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Particulars	Tranch 1 (Original terms)	Tranch 1 (Modified terms)	Tranch 2
Risk-free interest rate (% per annum)			
Vesting 1	4.98%	5.31%	5.74%
Vesting 2	5.66%	5.44%	5.85%
Vesting 3	5.99%	5.74%	6.00%
Vesting 4	6.07%	5.85%	6.01%
Expected life of options (in years)	2.5 years to 5.5 years	0.2 to 3.2 years	2.2 years to 5.2 years
Expected volatility (% per annum)			
Vesting 1	50%	42%	35%
Vesting 2	45%	36%	41%
Vesting 3	42%	35%	47%
Vesting 4	47%	41%	56%
Expected dividends yield (% per annum)	0%	0%	0%
Weighted average share price (₹)	363.00	411.20	411.20
Exercise price (₹)	550.00	426.15	426.15

Volatility : Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the year.

Risk free rate : The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

Expected life of the options : Expected life of the options is the period for which the Group expects the options to be live. The minimum life of stock options is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Group has calculated expected life as the average of the minimum and the maximum life of the options.

Dividend yield : Expected dividend yield has been calculated by dividing the last declared dividend per share by the share price as on the date of grant.

There are no cash-settled share based payment arrangements.

Note 41 : Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The companies in the Group have used an accounting software for maintaining all accounting records which has a feature of recording audit trail (edit log) facility and such feature was enabled at the application level. The database of the said software is operated by a third-party software service provider and the availability of audit trail (edit logs) are not covered in the 'Independent Service Auditor's Assurance Report on the design and operation of controls' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation) at database level.

Further, the audit trail has been preserved by the Group as per the statutory requirements for record retention.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 42 : Other statutory information

A The Holding Company and its subsidiary companies have not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B The Holding Company and its subsidiary companies have not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the respective companies shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C The Holding Company and its subsidiary companies do not have any transactions and outstanding balances during the current as well previous year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

D Neither the Holding Company nor any of its subsidiary companies to whom Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder applies is holding any benami property under the aforementioned act and rules. Further, no proceedings have been initiated or pending against the abovementioned companies for holding any benami property under the act and rules mentioned above.

E The Holding Company and its subsidiary companies have not been declared wilful defaulter by any bank or financial institution or government institution or any government authority.

F The Holding Company and its subsidiary companies do not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as search or survey or any other relevant provisions of the Income-tax Act, 1961).

G The Holding Company and its subsidiary companies have not traded or invested in crypto currency or virtual currency during the current year and previous year.

H The Holding Company and its subsidiary companies have complied with the number of layers prescribed under section 2(87) of the Act.

I The Holding Company and its subsidiary companies have not revalued its PPE and intangible assets during the current year and previous year.

J The Holding Company and its subsidiary companies have not entered into any scheme of arrangement in terms of section 230 to 237 of the Act during the current year and previous year.

K The Holding Company and its subsidiary companies have not granted any loan or advance in the nature of loan, during the current year, to promoters, directors, KMPs or other related parties, either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment. Also, no such loan or advance in nature of loan is outstanding as at the reporting date.

L There are no charges or satisfaction which are yet to be registered with Registrar of Companies during the current year.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2026
(All amounts in Rupees Crores, unless otherwise stated)

Note 43 : Initial public offer of the Holding Company

During the year ended March 31, 2025, the Holding Company had completed the Initial Public Offering ('IPO') of 17,133,956 equity shares of face value of ₹ 10 each at an issue price of ₹ 321 per equity share (including share premium of ₹ 311 per equity share), comprising of offer for sale of 4,672,897 equity shares by selling shareholders and fresh issue of 12,461,059 equity shares. The equity shares of the Holding Company were listed both on the National Stock Exchange of India Limited and BSE Limited on December 27, 2024. As at March 31, 2025, the Holding Company had duly utilised the IPO proceeds as per the utilisation plan disclosed in the offer document.

Note 44 : Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year classifications / disclosures. However, the impact of such regroupings / reclassifications is not material to the consolidated financial statements.

These are the notes to the consolidated financial statements including material accounting policy information and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. : 001076N/N500013

Rajni Mundra
Partner
Membership No. 058644

Place: Mumbai
Date: May 15,2026

For and on behalf of the Board of Directors of Sanathan Textiles Limited

Paresh Dattani
Chairman and Managing Director
DIN : 00163591

Ajaykumar Dattani
Joint Managing Director
DIN : 00163739

Sanjay Shah
Chief Financial Officer

Jude Patrick D'souza
Company Secretary and Compliance Officer
Membership No. A44812

Place: Mumbai
Date: May 15,2026

Sanathan Textiles Limited
Corporate Identity No. (CIN): L17299DN2005PLC005690
Regd. Office: SRV No. 187/4/1/2, Near Surangi Bridge, Surangi, Silvassa, Dadra & Nagar Haveli- 396230.
Tel: + 91 22 6634 3312/3/4/5/6;
Email:investors@sanathan.com ; **Website:** www.sanathan.com

Notice

Notice is hereby given that the 21st Annual General Meeting ("AGM") of Sanathan Textiles Limited ('the Company'/'STL') will be held on Friday, September 11, 2026, at 04:00 PM (IST) through Video Conference /Other Audio Visual Means ("VC/OAVM") and the Registered Office of the Company i.e. SRV No. 187/4/1/2, Near Surangi Bridge, Surangi, Dadra & Nagar Haveli, Silvassa - 396230, shall be deemed to be the venue of the AGM to transact the following business: -

ORDINARY BUSINESS:

Item No. 1 – To adopt Standalone Financial Statement:

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2026, together with Report of Board of Directors and Auditors thereon.

Item No. 2 – To adopt Consolidated Financial Statement:

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2026, together with the Report of the Auditors thereon.

Item No. 3 – Re- appointment of Director liable to retire by rotation:

To re-appoint Mr. Sammir Dattani (DIN:07060573), who retires by rotation as an Executive Director.

Item No. 4 – To consider re-appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as the Auditor of the Company:

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the eligibility certificate received under Section 141 and consent received to be re-appointed and based on the recommendation of Audit Committee and the Board of Directors, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Peer Reviewed) (Firm Registration No. 001076N/N500013) be and are hereby re-appointed as the Statutory Auditor of the Company, to hold office for a second term of five consecutive years from the conclusion of the 21st Annual General Meeting until the conclusion of the 26th Annual General Meeting of the Company for a remuneration of ₹72,00,000/- (Rupees Seventy Two Lakh Only) per annum.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary and Compliance Officer of the Company be and are hereby severally authorized to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution."

SPECIAL BUSINESS:

Item No. 5 - To ratify the remuneration payable to M/s Saroj K Babu & Co as Cost Auditor:

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration of ₹1,70,000 (Rupees One Lakh and Seventy Thousand only) (excluding applicable taxes and re-imbursement of out of pocket expenses), payable to M/s Saroj K Babu & Co who were appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year 2026-27, be and is hereby ratified."

BY ORDER OF THE BOARD OF DIRECTORS
FOR **SANATHAN TEXTILES LIMITED**

Sd/-
Jude Patrick Dsouza
Company Secretary and Compliance Officer
Membership No: A44812

Date: August 3, 2026
Place: Mumbai

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of Item Nos. 4 and 5 of the accompanying Notice, is annexed hereto. Further, disclosures in relation to Item Nos. 4 and 5 of the Notice, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 ("SS-2") on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") forms an integral part of this Notice.

2. In terms of Section 152 of the Act, Mr. Sammir Dattani (DIN:07060573) retires by rotation at this AGM and being eligible offers himself for re-appointment. The NRC and Board have recommended his re-appointment. to the Shareholders. The additional information in respect of re-appointment of Mr. Sammir Dattani as an Executive Director, liable to retire by rotation, pursuant to the provisions of SEBI Listing Regulations and SS-2 is provided as an Annexure to the Notice.

3. Ministry of Corporate Affairs ("MCA") vide its General Circular No. 03/2025 dated September 22, 2025 read with circulars issued earlier on the subject ("MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CFD-PoD2/P/CIR/2024/133 dated October 3, 2024 read with the circulars issued earlier on the subject ("SEBI Circulars"), have permitted to conduct the AGM virtually through Video Conferencing (VC) or other audio visual means (OAVM), without physical presence of Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Act and the SEBI Listing Regulations, the 21st AGM of the Company is being held virtually through VC / OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.

4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. 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.

5. The Notice along with the Annual Report for FY 2025-26 is being sent by electronic mode to those Members whose e-mail address is registered with the Company/Depositories, unless a Member has specifically requested for a physical copy of the same. Members may kindly note that the Notice convening this AGM for FY 2025-26 will also be available on the Company's website www.sanathan.com ,website of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively and on the website of National Securities Depository Limited (NSDL) at https://www.evoting.nsdl.com.

6. In compliance with Regulation 36(1)(b) of the Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2025-26 is available, is being sent to those members whose e-mail address is not registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories.

7. The Company will also publish an advertisement in the newspapers containing details of the AGM and other relevant information for Members viz. manner of registering e-mail address, Cut-off date for e-Voting etc.

8. Since this AGM is held through Video Conference/ Other Audio Visual Means ("VC/OAVM"),

   (a) route map to the venue is not required and therefore, the same is not annexed to this Notice

   (b) Members will not be able to appoint proxies for the meeting, and hence, proxy form is not annexed to this Notice.

9. Corporate Members/ Institution Shareholders are requested to send a scanned certified copy of the Board Resolution authorising their representative to attend this AGM, pursuant to Section 113 of the Act, through e-mail at investors@sanathan.com or by post at the Corporate Office of the company situated at D-15, Trade World, Kamala Mills Compound, Lower Parel, Mumbai – 400013.

10. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. A person who is a Member holding Equity Shares as on Friday, September 04, 2026 ("**Cut off date**") as on the shall be eligible to attend and vote on resolutions proposed at the AGM. Any person who is not a Member as on the Cut-off date shall treat this Notice for informational purpose only.

11. The Members can join the AGM in the VC/OAVM mode 15 minutes before 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, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

12. Since the AGM is being held through VC/OAVM in accordance with the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly Attendance Slip is not annexed to this Notice.

13. The Board of Directors has appointed Mr. Devendra V Deshpande of M/s. DVD & Associates, Practicing Company Secretary (FCS No. 6099 and COP No.

6515) as the Scrutinizer for scrutinizing the remote e-voting process as well as e-Voting at the AGM in a fair and transparent manner.

14. 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) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time 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 e-Voting on the date of the AGM will be provided by NSDL.

15. Voting rights of a member / beneficial owner shall be in proportion to his / her / its shareholding in the paid-up Equity Share capital of the Company as on the Cut-off Date.

16. Members whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date, shall be entitled to avail the facility of remote e-Voting or e-Voting at the AGM.

17. The procedure for e-voting on the day of the AGM is identical to Remote e-voting instructions as outlined in this Notice.

18. Any person who becomes a Member of the Company after dispatch of the Notice and holds Equity Shares as on the Cut-off date can vote by following the procedure for e-Voting, as outlined in the Notice.

19. If you have already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or 022 - 4886 7000 or send a request to Mrs. Veena Suvarna at evoting@nsdl.com

20. In case of Shareholders holding securities in demat mode who acquire shares and become Member after the notice is sent through e-mail and holding shares as of the Cut-off date may follow steps mentioned in the Notice.

21. Members virtually present for the AGM and who have not cast their vote on resolutions set out in the Notice convening the AGM through remote e-Voting and who are not otherwise barred from doing so, shall be allowed to cast their vote through e-Voting facility during the AGM.

22. However, Members who have exercised their right to vote during the remote e-Voting period may attend the AGM but shall not be entitled to cast their vote again.

23. Once the vote on a resolution is cast, Member shall not be allowed to change the same subsequently or cast vote again.

24. Members can opt for only one mode of voting i.e. either through remote e-Voting or e-Voting at the AGM. If a member cast votes by both modes, then voting done through remote e-Voting shall prevail.

25. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the Cut-off date will be entitled to vote during the AGM.

26. The statutory registers maintained under Section 170 and Section 189 of the Act and other documents referred in the Notice convening this AGM shall be made available for inspection by Members during the remote e-Voting period and during the proceedings of the 21st AGM. Members may seek inspection of documents, on request raised to NSDL e-voting platform at https://www.evoting.nsdl.com during the aforementioned period.

27. Members who would like to express their views or ask questions with respect to the agenda item(s) of the meeting may register themselves as a speaker by sending an e-mail to investors@sanathan.com from their registered e-mail address, mentioning their name, DP ID & Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker from Wednesday, August 19, 2026 9:00 A.M (IST) to Friday, September 04, 2026 05:00 P.M (IST) will be able to express their views / ask questions / seek clarifications at the meeting. The Company reserves the right to restrict the number of questions and / or number of speakers, depending upon availability of time, for smooth conduct of the AGM.

28. After conclusion of the meeting, the Scrutinizer will submit the report on votes cast in favour or against and invalid votes, if any, to the Chairman or any other person authorized by him, who shall countersign the same, and the result of the voting will be declared within the time stipulated under the applicable laws.

29. The voting results along with the Scrutinizer's report, will be hosted on the Company's website www.sanathan.com websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at https://www.evoting.nsdl.com/.

30. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time.

INSTRUCTIONS

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

The remote e-voting period begins on Tuesday, September 08, 2026, at 9:00 A.M. (IST) and ends on Thursday, September 10, 2026, at 05:00 P.M. (IST) 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 Cut-off date i.e. Friday, September 04, 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.

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. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/ mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are 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

Type of shareholders	Login Method
	4. 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 digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & 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.com or call at 022 - 4886 7000
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 toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting 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 use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those 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.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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 devendracs@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com 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.: 022 - 4886 7000 or send a request to Mrs. Veena Suvarna at evoting@nsdl.com

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 investors@sanathan.com

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 investors@sanathan.com . 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.com 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 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" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that 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 investors@sanathan.com . The same will be replied by the company suitably.

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013 ('The Act') the following Explanatory Statement sets out material facts relating to business mentioned under Item Nos. 4 and 5 of the accompanying Notice.

Item No. 4

Brief Profile of the Statutory Auditor:

M/s. Walker Chandiok & Co LLP (Firm Registration no. 001076N/N500013) is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI), Public Company Accounting Oversight Board (PCAOB) and empanelled with Comptroller and Auditor General of India (CAG). The firm was established in the year 1935 and its registered office is situated at New Delhi with Nineteen other offices across major cities in India. It has ninety-seven partners. It has a valid peer review certificate and is one of India's leading audit firms providing audit and assurance services to several large companies including some of the top one hundred listed entities in India.

Rationale for re-appointment:

M/s. Walker Chandiok & Co LLP were first appointed as the Statutory Auditor of the Company on April 14, 2021 to fill the casual vacancy created due to resignation of M/s. Narendra Kochar & Co., Chartered Accountants.

Subsequently, the members of the Company approved the appointment of M/s. Walker Chandiok & Co LLP as the Statutory Auditors for their first full term of five years at the Annual General Meeting held on November 25, 2021 which was effective from the conclusion of AGM held in year 2021 till the conclusion of 21st AGM of the Company.

During their tenure, M/s. Walker Chandiok & Co LLP has carried out the statutory audit of the Company in a thorough, professional, and diligent manner. The audit firm has consistently demonstrated a strong understanding of the Company's business operations and internal control environment and has adhered to all applicable Standards on Auditing and regulatory requirements. M/s. Walker Chandiok & Co LLP has maintained the highest levels of independence and objectivity throughout their engagement and has executed their responsibilities with a structured, risk-based audit approach.

The firm has ensured timely completion of audits, provided well-reasoned observations wherever required. Their interactions with the management and the Audit Committee have been transparent, constructive, and marked by clear communication and professional scepticism. The Board and the Audit Committee have found their overall performance, technical competence, and audit quality to be fully aligned with regulatory and governance expectations.

The Board has also noted that, in line with the expectations set out in the National Financial Reporting Authority ("NFRA") Circular on "Those Charged with Governance" M/s. Walker Chandiok & Co LLP has maintained an effective and transparent dialogue with the Audit Committee and the Board, separately. The Statutory Auditor have appropriately communicated the scope, timing, and key aspects of the audit, including relevant observations and matters requiring attention, as applicable. This has supported Those Charged with Governance in discharging their oversight responsibilities and contributed to the ongoing strengthening of financial reporting and governance practices.

The Board of Directors of the Company at its meeting held on August 03, 2026, considering the experience and expertise and based on the recommendation of the Audit Committee, has proposed to the Members of the Company, re- appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/ N500013), as Statutory Auditor of the Company for a second term of 5 (five) consecutive years from the conclusion of 21st AGM till the conclusion of the 26th AGM. The proposed remuneration to be paid to the Statutory Auditor is ₹ 72,00,000/- (Rupees Seventy Two Lakh Only) per annum. The said remuneration excludes applicable taxes and out of pocket expenses.

Pursuant to Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the Company has received written consent from M/s. Walker Chandiok & Co LLP and an eligibility certificate that they satisfy the criteria provided under Section 141 of the Act and that the re-appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Walker Chandiok & Co LLP, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

None of the Directors or other Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

Item No. 5

The Company has established robust internal control systems aimed at effective cost optimisation, which support the accurate maintenance and monitoring of cost records. As Cost Audit is applicable to the Company, the Company ensures maintenance of Cost Auditor Records and recommends the appointment of M/s Saroj K Babu & Co., from whom it has received the requisite consent and

confirmation from M/s. Saroj K Babu & Co., affirming that the firm is eligible and not disqualified to act as Cost Auditors under the provisions of the Companies Act, 2013.

M/s. Saroj K Babu & Co. is a Kolkata-based firm with expertise in cost and management accounting, tax consultancy, and audit services. The firm maintains a high degree of professionalism and independence in the discharge of its duties and conducts biannual visits to the Company's facilities to ensure that cost records are properly maintained and regularly updated.

The remuneration proposed to be paid to the Cost Auditors is commensurate with the scope of work involved and is in line with prevailing industry standards adopted by comparable companies operating in the same sector.

The Board of Directors at its meeting held on August 03, 2026, considered and approved the appointment of M/s. Saroj K Babu & Co. as Cost Auditors of the Company for FY 2026-27. Accordingly, the consent of the Members is sought for the ratification of payment of remuneration and reimbursement aggregating to ₹ 1,70,000 (Rupees One Lakh Seventy Thousand Only) excluding applicable taxes and re-imbursement of out of pocket expenses to the Cost Auditors for the financial year 2026-27, by way of an Ordinary Resolution as set out at Item No. 5 of the Notice.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested,in the proposed resolution.

Basis the rationale and justification provided above; the Board recommends Ordinary Resolution under Item No. 5 of the accompanying Notice for approval of Members.

Annexure to the Notice

Details of the Director seeking re-appointment at the Annual General Meeting

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and SS-2 on General Meetings, issued by Institute of Company Secretaries of India

Name of Director	**Mr. Sammir Dattani**
Date of Birth	January 27, 1982
Designation	Executive Director
DIN	07060573
Age	44 years
Date of first Appointment on the Board	May 26, 2025
Current term	Five years with effect from May 26, 2025.
Expertise in specific functional area / Brief resume	Mr. Sammir Dattani holds a Bachelor of Commerce degree with a specialization in Business Management from Mumbai University. With over 16 years of extensive experience in the textile industry, he brings deep expertise across multiple verticals, from raw material procurement to strategic leadership. Further, he looks at the raw material procurement for Polyester Filament Yarn and Fully Drawn Yarn. Mr. Sammir Dattani also oversees Information Technology and Automation function at Sanathan Textiles. As one of the spokesperson of Sanathan Textiles Limited, Mr. Sammir Dattani represents the Company across industry forums, stakeholder meetings, and public platforms. His holistic approach and leadership acumen continue to shape Sanathan Textile's positioning as a forward-looking and resilient player in the Indian textile landscape.
Experience	16 years
Qualification	Graduate
Terms of Appointment or Re-appointment	Mr. Sammir Dattani is an Executive Director of the Company, liable to retire by rotation.
Details of remuneration sought to be paid	Amount already approved by the Shareholders. No new remuneration approval has been sought at this point.

Shareholding in Sanathan Textiles Limited	Mr. Sammir Dattani directly holds individually 0.43% of the total paid up capital of the Company. Mr. Sammir Dattani is a member of the promoter group.
Relationship with other Directors and Key Managerial Personnel	Mr. Sammir Dattani is a member of the promoter group and is related to Mr. Dineshkumar Dattani, Promoter.
Last Remuneration drawn	During the FY 2025-26, an amount of ₹ 3.70 Crores was paid as remuneration to Mr. Sammir Dattani.
Name of Listed entities resigned in last 3 years	Nil
Directorships in other Listed Companies as on March 31, 2026	Nil
Chairman/Member of Committees of other Listed Companies as on March 31, 2026	Nil
Number of Meetings of the Board attended during FY 2025-26	5

Sanathan Textiles LTD.

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