Registered Office:
Voith Paper Fabrics India Limited
113/114 A, Sector-24
Faridabad (Haryana)
Delhi NCR / 121 005 / India
Phone +91 129 4292 200
Fax +91 129 2232 072

24th July, 2026

BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001

Stock Code : 522122; Company Code: 2407

Sub.: Copy of Annual Report for the year ended 31st March 2026, along with Notice of 56th Annual General Meeting

Dear Sir / Madam,

Pursuant to the requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the cited subject matter, please find attached a copy of the 56th Annual Report, along with the Notice of 56th Annual General Meeting (AGM) of the Company. The Annual Report and the Notice can be accessed on the Company's website at the www.voithpaperfabricsindia.com.

We hope that you would find the above in order and request you to take the same on records.

Thanking you.

Yours truly,
For Voith Paper Fabrics India Limited

DEEPAK BEHL
Digitally signed by DEEPAK BEHL
Date: 2026.07.24 18:43:14 +05'30'

Deepak Behl
Company Secretary
ACS - 40924
Encl.: As stated.

56th Annual Report 2025/26
Voith Paper Fabrics India Limited
Papermaking. Next Level

BOARD OF DIRECTORS

Chairman
Martin Bassmann

Managing Director
R. Krishna Kumar

Directors
Ravinder Nath
Deepti Gupta
Pallavi Dinodia Gupta
Ram Sewak Sharma

FINANCE CONTROLLER

Kalyan Dasgupta

COMPANY SECRETARY

C.S. Gugliani (till 02/12/2025)
Deepak Behl (from 03/12/2025)

REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited
179-180, 3rd Floor, DSIDC Shed
Okhla Industrial Area, Phase - I,
New Delhi - 110020

REGISTERED OFFICE AND MILL

113/114-A, Sector 24,
Faridabad -121005, (Haryana)
Delhi NCR, India

AUDITORS

Price Waterhouse Chartered Accountants LLP (Statutory)
Lodha & Co. LLP, Chartered Accountants (Internal)
P.C. Jain & Co., Company Secretaries (Secretarial)

BANKERS

AXIS Bank Limited
ICICI Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
BNP Paribas

CONTENTS

Chairman's Communique

Dear Shareowners,

I am excited to be communicating with you and hope that you will be pleased with the performance of your Company, as reported in the accompanying Annual Report. As your Company continues on its path of consistent growth in the current year also, I would like to explicitly thank everyone associated with the Company who has helped in delivering such performance in these uncertain times. Following the pandemic and war in Ukraine it was obvious that we are living in a VUCA (Volatility, Uncertainty, Complexity, Ambiguity) world. However, the start of war between USA and Iran, has taken the challenge for the global economies and societies to the next level.

The global pulp and paper market size that was valued at USD 351.7 billion in 2025, is projected to grow from USD 357.6 billion in 2026 to USD 416.56 billion by 2035, exhibiting a CAGR of 1.7% during the forecast period. Asia Pacific dominated the pulp and paper market with a market share of 56% in 2025. The pulp and paper manufacturing and supply industry is labor-intensive and plays a vital role in socio-economic development also. Accordingly, your company continues to fulfill its duty of being a socially responsible citizen and has - in collaboration with NGO partners during the year - made requisite contributions, for improving the infrastructure facilities in schools, setting up a digital learning center and providing healthcare facilities, as part of its Corporate Social Responsibility contribution.

Presently at Voith Group, we are on the path to chart out the future that we envisage for ourselves collectively, across all functional Divisions in which we operate and develop 'Technology that sets the world in motion', and as a technology leader, we power progress in industries across the globe. In order to continue to grow in a sustainable and profitable way, it is important to have a strategy that shows us the path we need to take. Therefore, we defined our strategy, which helps us to achieve our vision in creating customer value with the most sustainable and efficient papermaking solutions from one source.

The synergy between sustainability and efficiency is anchored in our strategy and it is a core part of the company's long-term business approach. That is why we develop innovations with our customers that enable sustainable paper production and reduce resource consumption.

Our belief is - alone, we cannot make the world a better place, but in strong industrial alliances, we can. Hence, we have also made strategic integrations with some business partners at Group level, and I am confident that despite the prevailing uncertainties in geopolitical situation, we shall continue to grow steadily in future too. With more than 21,000 employees working across several Voith entities spread all over the globe, we are united by one goal: to create a future worth living.

As we move forward with optimism, and valuable patronage from all concerned, I look forward to receiving your views at the upcoming Fifty-sixth Annual General Meeting of your Company.

With best wishes for a promising future, together!

Martin Bassmann
Chairman

Managing Director's Communique

Dear Shareowners,

It is an honour to briefly share the performance overview of your company for the fifty-sixth financial year ended 31st March 2026. I feel happy to report that your Company is continuing on the path of progress in a consistent manner and has achieved a total revenue of INR 2089.49 million, marking a growth of about 9.84% over previous year, and profit before tax at INR 552.38 million recording a growth of about 2.81 % over previous year after absorbing the exceptional impact of new labour codes amounting to INR 50.97 million during the year. This performance would not have been possible without your support, and approving 'Related Party Transactions (RPTs)' proposed last year.

As a full-line supplier, we are providing customer-centric solutions from one source for an efficient and sustainable papermaking process. In collaboration with the other Voith Group Companies we offer holistic project packages to paper manufacturers, that not only combine a unique product portfolio, high end services and digitalization but also comprise project management and consulting. Collectively, we assume the comprehensive project responsibility for paper manufacturers and significantly reduce complexity and interfaces with a keen focus on making the world better with paper. This year too we have proposed some 'RPTs' seeking your approval, which would enable us to continue to explore business growth in regions outside India, with the support of other Voith Group Companies.

India's paper industry is one of the fastest growing globally and produces approximately 6% of the world's total paper output and is currently the 3rd largest paper producer globally. With rising demand from packaging, e-commerce, and education, the industry is expected to grow steadily in future. As the growth of your company is directly connected to the growth of Paper industry, we are hopeful that company will continue to grow in future as well. However, increasing paper imports are eroding industry competitiveness, threatening job security, discouraging investment, and weakening the sector's long-term sustainability.

The operating environment continues to evolve amidst regulatory and geopolitical developments. The implementation of India's new Labour Codes from November 2025 marks a significant structural reform. Over the long term, these reforms are expected to enhance labour efficiency, governance, and workforce management practices. Global macroeconomic and geopolitical developments have also influenced business conditions. The Middle East conflict has disrupted energy markets and logistics corridors, resulting in elevated input costs and supply chain constraints. These developments have contributed to inflationary pressures on key raw materials and operational inputs.

Though the market environment continues to be more than challenging, I am convinced that we can succeed in exactly this environment. Because that is the crucial point: our technological strength is not only in what we build but also that we are agile enough to react to changes. With a clear focus on talent development and management, we remain committed to systematically invest in our people to strengthen the foundations of human capital and continue to thrive in this era.

Once again, I wish to express my gratitude for the support received from all stakeholders and appreciate the efforts put in by employees at all levels in the growth journey of your Company.

I look forward to interacting with you at the Fifty-sixth Annual General Meeting which is being convened in virtual mode to enable a broad participation from all of you.

Warm regards,

R. Krishna Kumar
Managing Director

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present before you, the Fifty-sixth Annual Report along with the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2026.

FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended March 31, 2026 is summarized below:

(INR in millions)

Particulars	For the year ended 31/03/2026	31/03/2025
Revenue from operations	2,089.49	1,902.27
Profit before taxation	552.38	537.26
Tax expense	137.89	138.33
Total comprehensive income for the year	434.26	397.92
Earnings Per Share (EPS) (In rupees)	94.36	90.87

During the year under review, Company had made a gratuity provision of INR 50.97 million as an exceptional item, after assessing the impact of new Labour Codes that came into effect on November 21, 2025.

There were no material changes and commitments affecting the financial position of the Company, which have occurred since the end of the financial year.

SHARE CAPITAL

As at 31st March, 2026 the paid-up share capital of the Company comprised of 4,392,559 equity shares of INR 10/- each, aggregating to INR 43,925,590/-. There was no change in the capital structure of the Company during the year under review.

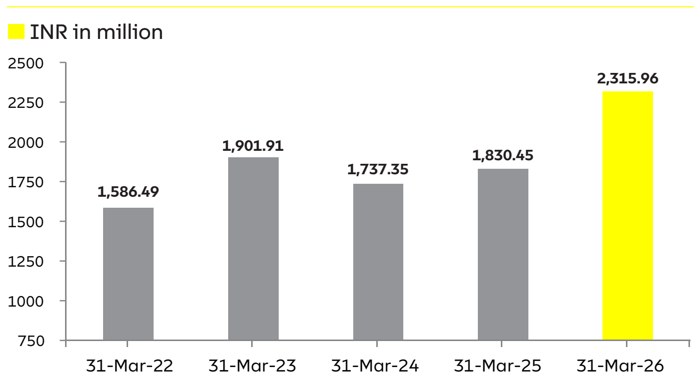
DIVIDEND

The Board of Directors makes decision regarding payment of dividend, considering that the growth objectives of the Company can be met through internal accruals and would be in the interest of investors in long-term.

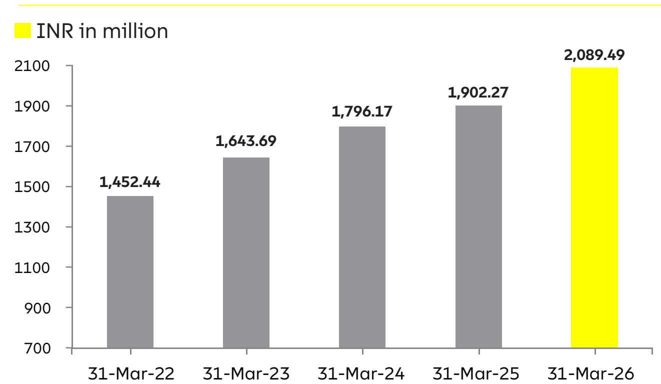
The Board of Directors, at its meeting held on May 20, 2026, recommended a final dividend @ 100% i.e. Rs. 10/- per equity share of Rs. 10/- each amounting to Rs. 43.93 million (gross) subject to the approval of the shareholders at the 56th Annual General Meeting. The dividend, if approved at the upcoming Annual General Meeting, would be paid to the eligible members, subject to TDS at applicable rates, within the stipulated time.

PERFORMANCE OVERVIEW AND STATE OF AFFAIRS OF THE COMPANY

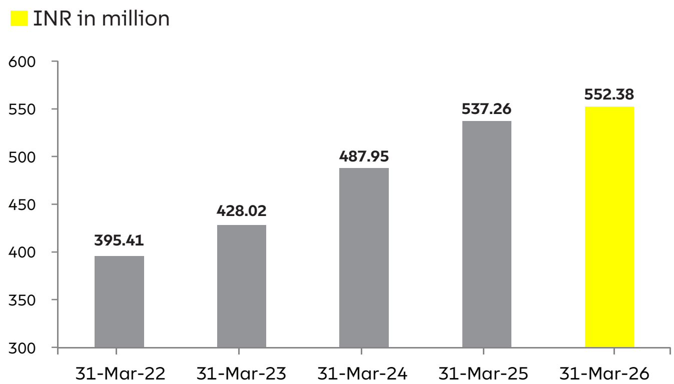
Orders Received



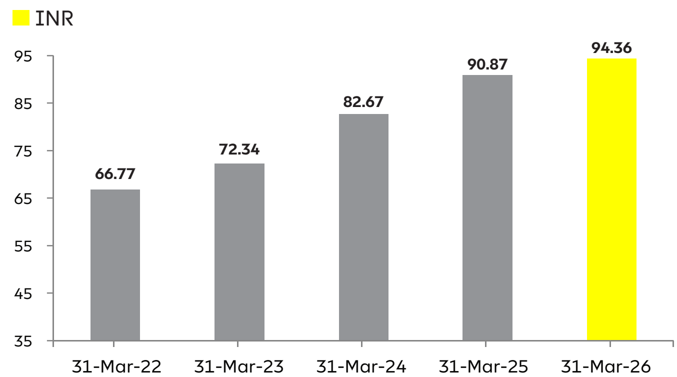
Sales/Revenue



Profit Before Tax



Earning Per Share



Other details pertaining to the state of affairs / operation of the Company and future outlook is explained in the Management Discussion and Analysis Report forming part of this Report

TRANSFER TO RESERVES

For the year under review, Company has added the entire available surplus, to the brought forward balance in "Statement of Profit and Loss", without making any transfer to the general reserve.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company neither gave any loans or guarantees nor made any investments in terms of provisions of Section 186 of the Companies Act, 2013.

CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the Financial Year 2025/26.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year, no significant or material orders were passed by any regulatory authorities, courts, or tribunals that may affect the Company's ability to continue as a going concern or influence its future operations. Members are, however, requested to review the details of Contingent Liabilities and Commitments provided in the Notes forming part of the Financial Statements.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Details of Internal Financial Controls and its adequacy are included in the Management Discussion and Analysis Report, forming part of this Board Report.

PARTICULARS OF CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

As per the provisions of Companies Act, 2013 and Regulation 23 of 'SEBI (LODR) Regulations, 2015, the Company has formulated a Policy on Related Party Transaction to ensure transparency in transactions between the Company and its' related parties. The said Policy is available at link of 'Company Policies' on 'Investor Corner' page on the company's website at https://www.voith.com/corp-en/vp_india_website_rpt-policy-accepted-2025.pdf.

During the year under review, all transactions with related parties were carried out in the ordinary course of business, at arms' length basis and details of such transactions (including related party transactions considered as 'material') are mentioned in notes attached to the financial statements. Further, Form AOC-2 containing the necessary disclosure in this regard is attached as **Annexure – I** and forms an integral part of this Board Report.

In accordance with the requirements of Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("RPT Industry Standards"), a certificate from CEO and CFO confirming that all the related party transactions proposed to be undertaken in FY 2026/27 are in the interest of the Company, has been reviewed and noted by the Audit Committee and the Board of Directors.

AUDITORS REPORT

The observations of statutory auditors are self-explanatory and therefore do not call for any further comments.

AUDITORS

A. Statutory Auditors – During the year under review, M/s Price Waterhouse Chartered Accountants LLP; carried out the Statutory Audit and submitted their report.

B. Internal Auditors – During the year under review, M/s Lodha & Co. LLP, Chartered Accountants, carried out the Internal Audit and submitted their report.

C. Secretarial Auditors – During the year under review, M/s P.C. Jain & Co., Company Secretaries, carried out the Secretarial Audit and submitted their report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Sections 134(3)(c) and 134(5), the Board of Directors, to the best of their knowledge and ability, confirm that:

1. In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and are prudent so as to give a true & fair view of the state of affairs of the Company at the end of the Financial Year and of the profits of the Company for the period;

3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

4. the Directors have prepared the Annual Accounts on a 'going concern basis';

5. the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating efficiently; and

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

RISK MANAGEMENT

While the provision of formulating a Risk Management Committee under Regulation 21 of the SEBI (LODR) Regulations, 2015 is not applicable to the Company, the Board affirms that the Company has established a risk management framework to effectively identify, assess, evaluate, and mitigate various categories of risks arising from its operations. The framework is supported by appropriate internal controls and periodic reviews to ensure its ongoing effectiveness. Based on the Board's evaluation, no identified risks are likely to adversely impact the Company's ability to continue as a going concern.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder the Company has adopted and developed a Policy covering the activities mentioned in Schedule VII of Companies Act, 2013, upon the recommendation of CSR Committee. Implementation of the Policy is undertaken under the guidance of the CSR Committee, and the requisite 'Report on Corporate Social Responsibilities (CSR) Activities' containing the specified disclosures prescribed in the Companies. (Corporate Social Responsibility Policy) Amendment Rules, 2021 is attached as Annexure-IA to this Report.

CSR Policy of the Company is available on the website of the Company at https://www.voith.com/corp-en/vp_inida_Website_CSR-Policy_Amended-2021.pdf

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015.

CORPORATE GOVERNANCE

The Company remains steadfast in its commitment to upholding the highest standards of Corporate Governance, anchored in the core principles of transparency, accountability, ethical conduct, and sustainable value creation for all stakeholders. The governance framework of the Company is designed to ensure effective oversight, informed decision-making and following the best industry practices. The Board of Directors have formulated and implemented a Code of Conduct to be adhered to by all Directors and members of Senior Management of the Company.

A Report on Corporate Governance together with the required Certificate from a Company Secretary in Practice, pursuant to requirements of the SEBI (LODR) Regulations, 2015, forms integral part of this Report.

The required Certificate from CEO & CFO in pursuance of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also appears in the 'Report on Corporate Governance'.

COMMITTEES OF THE BOARD

The Board has constituted the following Committees to effectively discharge its responsibilities and to comply with the requirements of applicable laws and business needs.

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Corporate Social Responsibility Committee
4. Nomination and Remuneration Committee

All recommendations made by the Audit Committee during FY 2025-26 were accepted by the Board. The necessary quorum was present at all the Committee meetings. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in the Report on Corporate Governance, forming part of this Board Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013, read along with Rule 8, of Companies (Accounts) Rules, 2014, is given in Annexure – II.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As Company does not form part of the Top 1000 listed entities based on market capitalization as at 31/12/2025, the provisions of regulation 34(2)(f) of the SEBI(LODR) Regulations, 2015 pertaining to the Business Responsibility and Sustainability Report (BRSR), are not applicable to it.

DEPOSITS

The Company has neither invited nor accepted any deposits from public during the year under review. Accordingly, there are no unclaimed or unpaid deposits lying with the company for the year under review.

PARTICULARS OF EMPLOYEES

Particulars required to be disclosed in pursuance of the provisions of Section 197 of the Companies Act, 2013, read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure – III.

Further, particulars of employees required under Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014, framed under the Companies Act, 2013, forms part of this Board Report. However, pursuant to provisions of Section 136 of the Companies Act, 2013 the Annual Report is being sent to all the Members of the Company and others entitled thereto excluding the said information, in respect of Top-10 employees. Any Member interested in obtaining such particulars may write to the Company Secretary of the Company. The same shall also be available for inspection by Members at the Registered Office of the Company.

ANNUAL EVALUATION BY THE BOARD

The Board recognizes that a structured and effective evaluation process is essential for strengthening board performance, improving governance standards and enhancing the overall effectiveness of the Board and its committees.

In accordance with the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, the performance of its Committees and the performance of individual Directors, including the Chairperson and Independent Directors. The performance evaluation process is designed to ensure that the Board continues to operate with the right balance of skills, experience, independence and diversity, and that it effectively discharges its oversight and strategic responsibilities.

The Nomination and Remuneration Committee (NRC) carries out the evaluation process at initial stage, followed by evaluation by Board. The performance evaluation framework is in place to seek the response of each Director on the evaluation of the entire Board, Chairman and Individual Directors, on defined parameters. The performance of Committees was evaluated by the Board seeking inputs from concerned Committee Members.

The performance evaluation is undertaken on the basis of criteria approved by the Nomination and Remuneration Committee and through discussions and feedback from the Directors. The evaluation broadly considers the composition and structure of the Board and its Committees, quality of deliberations, level of participation, the contribution made by each Director to the functioning of the Board, adequacy of information flow, independent judgment, adherence to code of conduct and business ethics, monitoring of regulatory compliance, risk management and review of internal control system, etc.

The Independent Directors meet separately at least once in a financial year, without the presence of non-independent directors and members of management, to review the performance of non-independent directors, the Board as a whole and the Chairperson, and to assess the quality, quantity and timeliness of flow of information provided to the Board. The performance of Independent Directors - and the independence from management - is also evaluated by the Board, excluding the concerned Director, in accordance with the applicable legal requirements.

The Board believes that the evaluation process has been conducted in a constructive and objective manner and has contributed to stronger coordination between the Board and management.

PREVENTION OF SEXUAL HARASSMENT CASES

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). An Internal Complaints Committee (ICC) has been duly constituted in accordance with the requirements of POSH Act, to redress complaints received regarding sexual harassment.

Following are details required pursuant to the requirements of Rule 8 of the Companies (Accounts) Rules, 2014, and Schedule-V of the SEBI (LODR) Regulations, 2015 regarding the prevention of sexual harassment at the workplace:

a) Number of complaints pending at the beginning of financial year – Nil
b) Number of complaints received during the financial year – Nil
c) Number of complaints disposed of during the financial year – N.A.
d) Number of complaints pending for more than ninety days – N.A.
e) Number of complaints pending as on end of financial year – Nil

COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Company is committed to providing a supportive environment for its employees and confirms that it is in compliance with the provisions of the Maternity Benefit Act, 1961 as amended, including the provision of applicable leaves and facilities as mandated by the Act, during the year under review.

WORKFORCE COMPOSITION AND DIVERSITY

The Company remains committed to fostering an inclusive and diverse work environment. As of the close of the financial year on March 31, 2026, the Company's workforce composition comprised 131 Male Employees, 5 Female Employees, and No Transgender Employee, representing a total headcount of 136 employees.

NUMBER OF MEETINGS OF THE BOARD

Four meetings of the Board of Directors of the Company were convened and held. Details of composition of Board and its Committees and the meetings held, attendance of the Directors in Meetings of the Board, and its Committees and other relevant details are provided in the Report on Corporate Governance.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and the circulars issued by the MCA and SEBI in this regard.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors including Independent Woman Director. The composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulations, 2015 read with Section 149 of the Companies Act, 2013. The changes in the composition of the Board of Directors and Key Managerial Personnel of the Company during the year under review are as under:

a) Appointment/Re-appointment

The Board of Director in their continued meeting held on 24th February 2025 has appointed Dr. Ram Sewak Sharma (DIN-02166194) as Non-Executive Independent Director for an initial term of 5 years commencing from 1st March 2025. Further, the appointment of Dr. Ram Sewak Sharma (Non-Executive-Independent Director) was approved by the members via the Postal Ballot on 17th April 2025. The Board is of the opinion that Dr. Sharma is person of integrity and his expertise & experience would be beneficial for the Company in coming years.

Brief Profile of Dr. Ram Sewak Sharma (DIN: 02166194) including nature of expertise in specific functional area:

Dr. Sharma is a retired member of the prestigious Indian Administrative Service (IAS) of 1978 batch, with a celebrated career spanning over four decades in various roles across the Central and State Governments in India. Throughout his career, he has been a pioneer of reforms and an advocate of digital transformation, contributing significantly to shaping India's policies in Information and Communication Technologies (ICT) and leading administrative modernization. Known for his ability to blend strategic vision with on-the-ground execution, Dr. Sharma has successfully implemented policies that have reshaped public service delivery in India.

Dr. Sharma holds a PhD from the Indian Institute of Technology, Delhi; a Master's in Computer Science from University of California, USA; a Master's in Mathematics from IIT, Kanpur; and a Bachelor's Degree in Law, reflecting his strong academic foundation in both technology and law. He is also a distinguished visiting professor at the Indian Institute of Technology, Kanpur, where he teaches courses on Technology and Public Policy. An active author, he regularly contributes to journals and newspapers on topics related to public policy, technology, health and internet governance.

b) Retirement by Rotation

Pursuant to the provisions of the Companies Act, 2013 and Article of Association of the Company, Mr. R. Krishna Kumar (DIN-05344619) is liable to retire by rotation at the 56th Annual General Meeting and being eligible, has offered himself for re-appointment. A brief profile of Mr. R. Krishna Kumar (DIN-05344619) is provided in the Notice convening the 56th Annual General Meeting.

He has been associated with the Company as the Managing Director with effect from 1st August, 2014 and has contributed in the overall management and day-to-day affairs of the Company. Hence, the Nomination and Remuneration Committee, as well as the Board of Directors, are of the view that his continued presence on Board would be beneficial for the Company.

c) Change in Key Managerial Personal

During the year under review, Mr. Deepak Behl was appointed as the Company Secretary & Compliance Officer of the Company with effect from 03rd December 2025 consequent to the superannuation of Mr. Gugliani from the services of the Company.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Board originally constituted its Remuneration Committee on 31st January, 2002 as part of good corporate governance practice. This Committee was rechristened as the 'Nomination and Remuneration Committee (NRC)' on 28th April, 2014 and was restructured as per the requirement of law from time to time.

In terms of provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations, 2015 a policy relating to remuneration for the Directors, Key Managerial Personnel and other senior employees has been adopted by the Board of Directors of the Company in pursuance of its formulation and recommendation by the Nomination and Remuneration Committee thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director.

The current Policy is to ensure that appropriate and suitable members are appointed on the Board of the Company and that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and meet appropriate benchmarks. The said Policy is available on the website of the Company at https://www.voith.com/corp-en/vp_india_website_nrc-policy-amended-2022.pdf. The salient features of the Policy are provided in the relevant section of the Report on Corporate Governance as attached.

The NRC, at its sole discretion, considers the integrity, qualification, expertise, proficiency and experience of the person for appointment as a Director and then recommends to the Board of his/her candidature for appointment.

REMUNERATION CRITERIA

- Executive Director / Managing Director / Whole-time Director: They shall be paid remuneration comprising several components (including fixed as well as variable) decided and approved by the Board from time to time on the recommendation of the NRC. Such remuneration is determined according to industry standards, experience, laws and regulations, prevailing market conditions and the scale of Company's business relating to the position.

- Other Directors: The Company remunerates its non-executive Indian directors by way of Sitting Fees for attending meetings of the Board and/or any Committee thereof, as may be decided by the Board from time to time, subject to the maximum amount as may be prescribed by the Central Government in this regard.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of SEBI (LODR) Regulations, 2015, at the 55th AGM held on 21st August, 2025 the company has appointed M/s P.C. Jain & Co., Company Secretaries to undertake the Secretarial Audit of the company for consecutive period of 5 years (Financial Year 2025-26 to Financial Year 2029-30). The report of the secretarial audit is annexed as Annexure – IV.

The Secretarial Audit Report does not contain any qualification, observation or other adverse remarks.

FRAUDS REPORTED BY THE AUDITORS

None of the auditors – Statutory, Secretarial or Internal, have reported any incident of fraud to the Audit Committee/Board of Directors, in their respective report, for the periods reviewed by them.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, as amended from time to time.

SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company neither has any subsidiary, joint venture or associate company; nor has any company become or ceased to be its subsidiary, joint venture or associate company, during the year.

ANNUAL RETURN

As required under the provisions of Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, a copy of the relevant Annual Return would be made available at 'Investor Relations' link on the 'Investors Corner' page of company's website at https://www.voith.com/corp-en/about-us/markets-locations/india/voith-paper-fabrics-india-limited.html?156029[]=9#annual-returns

MAINTENANCE OF COST RECORDS

Maintenance of cost records as specified under the provisions of Section 148(1) of the Companies Act, 2013 are **not applicable** for the business activities carried out by the Company.

PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31of 2016) during the year along with their status as at the end of the financial year is **not applicable**.

VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS

The requirement to disclose 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, is **not applicable.**

APPRECIATIONS

The Board of Directors expresses their appreciation towards all the employees for their untiring efforts and commitment that have resulted in continued growth of the company. Finally, the Directors wish to express their gratitude to all the Stakeholders for their continued trust and support.

For and on behalf of the Board of Directors

Ravinder Nath (00062186)
Deepti Gupta (08481203)
Pallavi Dinodia Gupta (06566637)
Ram Sewak Sharma (02166194)
Directors

Martin Bassmann (10766607)
Chairman

R. Krishna Kumar (05344619)
Managing Director

Date : 20th May, 2026
Place : New Delhi

ANNEXURE - I

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under the third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

   There were no contracts or arrangements or transactions entered into by the company with any related party, during the year ended March 31, 2026, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

   Number of material contracts or arrangements or transactions at arm's length basis - 3

Name(s) of the related party	JM Voith SE & Co. KG			Voith Paper (China) Co. Ltd.			Voith US Inc.	
Local Registration Number in domicile country	Ulm, HRA661052			Kunshan, 913205837890557299			Delaware, 3437815	
Nature of relationship	Fellow Subsidiary			Fellow Subsidiary			Fellow Subsidiary	
Nature of contracts/ arrangements/ transactions	Sale of goods	Purchase of goods	Purchase of Services	Purchase of materials & stores	Purchase of goods	Sale of goods	Sale of goods	Purchase of materials & stores
Duration of the contracts / arrangements/ transactions	Continuing business arrangements.							
Salient terms of the contracts or arrangements or transactions including the value, if any	For actual amount of transactions carried out with related parties during the year 2025/26, please refer Note No. 39 of the audited financial results. Terms and Conditions of these transactions were negotiated and as agreed with respective related party.							
Date of approval by the Board	22-05-2025							
Amount paid as advances, if any	As per normal commercial Terms & Conditions							

Notes:-

1. The Company has obtained omnibus approval from Audit Committee and Board for the Related Party Transactions.

2. For Material Related Party Transactions, approval of the shareholders has been obtained at the Annual General Meeting held on 21st August 2025.

For and on behalf of the Board of Directors

R. Krishna Kumar (05344619)
Managing Director

Date : 20th May, 2026
Place : New Delhi

ANNEXURE - IA

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Outline of CSR Policy:** The Company's Corporate Social Responsibility (CSR) Policy is guided by the principles of sustainable growth and development. The Company recognizes that responsible decision-making goes beyond financial performance and includes due consideration of its social and environmental impact. Accordingly, the Company is committed to conducting its business in a manner that contributes positively to society while ensuring environmental responsibility.

   The CSR Committee of the Board oversees the implementation and monitoring of CSR activities to ensure that they are carried out effectively and in alignment with the objectives of the said Policy, with a focus on creating long-term and sustainable impact.

   In line with its commitment, the Company has contributed the requisite amounts towards the discharge of its CSR obligations by extending financial support to NGOs engaged in promoting healthcare, advancing education, social welfare, skill development and providing mobility assistance to physically challenged individuals

2. **Composition:** The CSR Committee presently comprises of four directors. Three of whom are non-executive Directors.

SI. No.	Name of Director	Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Martin Bassmann	Chairman	Non-executive Nominee Director	1	0
2	Mr. Ravinder Nath	Member	Non-Executive & Non-Independent Director	1	1
3	Dr. Deepti Gupta	Member	Non-Executive & Independent Director	1	1
4	Mr. R. Krishna Kumar	Member	Managing Director	1	1

3. The Composition of CSR committee, CSR Policy and CSR projects approved by the Board can be accessed at link of 'CSR Annual Action Plan for FY 2025/26' under 'Corporate Social Responsibility Policy' under 'Company policies' on 'Investors Corner' page on the company's website at https://www.voith.com/corp-en/vp_inida_Website_CSR-Policy_Amended-2021.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: **Not Applicable**

5. (a) Average net profit of the company as per sub-section (5) of section 135: **INR 492.00 million**

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: **INR 9.840 million**

   (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**

   (d) Amount required to be set-off for the financial year, if any: **Nil**

   (e) Total CSR obligations for the financial year [(b)+(c)-(d)]: **INR 9.840 million**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 9.842 million**

   (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 [(a)+(b)+(c)]: **INR 9.842 million**

   (e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year 2025/26 (INR in million)	Amount Unspent (INR in million)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
9.842*	**Nil**	**NA**	**NA**	**Nil**	**NA**

* Details of total amount spent for the financial year 2025/26:

Category		Name of partner NGO and Activities undertaken	Amount (INR Million)
a)	Promoting healthcare	Sambharye Foundation - towards medical equipment to provide healthcare facility to underprivileged strata of society.	3.010
b)	Promoting education	PHD Rural Development Foundation - towards infrastructure improvement and repairing of two government schools in Faridabad.	2.855
c)	Promoting healthcare	Impact Guru Foundation - towards distribution of 235 foldable wheelchairs for use in old age homes, charitable hospitals, railway stations and to some individuals.	2.221
d)	Promoting healthcare	Earth Saviours Foundation - towards providing medical beds with mattress and bed sheets to abandoned senior citizen and homeless mentality disabled persons.	1.125
e)	Promoting education, including employment enhancing vocation skills	E.N.D. (Efforts Never Die) Charitable Trust - towards providing digital literacy and job readiness to youth belonging to low-income households, by establishing a digital computer lab.	0.631
		Total	**9.842**

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

Sr. No.	Particular	Amount (INR Million)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	9.840
(ii)	Total amount spent for the Financial Year	9.842
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.002
(iv)	Surplus arising out of CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.002

(g) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(Amount INR in million)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of transfer		
1	-	Nil	Nil	Nil	Nil	-	Nil	-

(h) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired: **Not Applicable**

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

Sl. No.	Short particulars of the property or assets(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of Entity/ Authority/ Beneficiary of the registered owner		
(1)	**(2)**	**(3)**	**(4)**	**(5)**	(6)		
1	-	-	Nil	Nil	CSR Registration Number, if applicable	Name	Registered address
Not applicable							

(i) Specify the reason(s), if the company has failed to spend two percent of the average net profits as per sub-section (5) of section 135: **Not Applicable**

Sd/-
Martin Bassmann
Chairman of the CSR Committee
(DIN: 10766607)

Sd/-
R. Krishna Kumar
Managing Director
(DIN: 05344619)

ANNEXURE - II

Information required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY

As a forward-looking company, we recognize that our operational footprint is intrinsically linked to the health of our global ecosystem and we view environmental stewardship not as a compliance obligation, but as a core pillar of our corporate identity. The successful commissioning of our on-site solar photovoltaic power plant marks a transformative milestone in our decarbonization commitment, establishing a clear template for embedding sustainable technology into our infrastructure.

By generating 3,234 MWh of clean, renewable electricity and effectively mitigating 2,351 tons of carbon emissions, this facility directly advances our long-term climate-neutral targets while reinforcing our steadfast commitment to preserving natural resources for future generations. This initiative eloquently proves that environmental responsibility can exist in perfect harmony with financial prudence, delivering INR 2,51,90,072 in energy cost savings during this initial year of operation.

The Company earnestly remains in pursuit to carry out its operations in an environment friendly manner with a keen focus to reduce the consumption of energy. This is monitored regularly at various stages of production processes and suitable actions are implemented wherever needed & feasible.

During the period from 1st April 2025 to 31st March 2026, the Company had capitalized and spent Rs. 32,501,878 towards purchase of additional 1 MW solar system.

B. TECHNOLOGY ABSORPTION

The company gets need-based technical know-how from Voith Group from time to time and develops its products using such knowledge, leading to improvement in quality of products.

However, no new specific technology has been imported by the Company during last three years.

Expenditure incurred on R & D during the year is given below:

(INR in Millions)

Capital	Nil
Recurring	70.31
Total (a + b)	70.31
Total R & D expenditure as a percentage of total turnover	3.37%

C FOREIGN EXCHANGE EARNINGS AND OUTGO

Exports (excluding Nepal) during the year were INR 355.68 million. Your Company strives to explore new foreign markets and to enlarge its share in the existing markets.

Foreign Exchange Earnings (actual inflows)	373.24
Foreign Exchange Expenditure (actual outgo)	719.02

ANNEXURE - III

As at 31st March, 2026 there were 136 employees on the rolls of the company. For the financial year ended on 31st March, 2026, median remuneration of the employees of the company was INR 995,890/- (INR 0.996 million).

The ratio of remuneration of the Managing Director, Mr. R. Krishna Kumar, to the median remuneration of the employees of the company was about 26.61 times. The ratio of remuneration of other directors to the median remuneration of employees of the company is as follows Mr. Ravinder Nath: 0.50 times; Dr. Deepti Gupta: 0.90 times; Ms. Pallavi Dinodia Gupta: 0.70 times and Dr. Ram Sewak Sharma: 0.50 times. The Chairperson of the company Mr. Martin Bassmann is neither paid any remuneration nor any sitting fees by the company.

The percentage increase in the median remuneration of all employees for the year ended 31st March, 2026, over last year's median remuneration is about -12.19%. The percentage increase/(decrease) in the remuneration of Managing Director for the said period was around 0.19%. Other directors, viz., Mr. Ravinder Nath; Dr. Deepti Gupta; Ms. Pallavi Dinodia Gupta and Dr. Ram Sewak Sharma were not paid any remuneration, except for the sitting fee for attending the meetings of the Board and/or its Committees, wherever applicable.

In case of the CFO, Mr. Kalyan Dasgupta, the increase in remuneration was about 7.65%. As there was a change in the company Secretary during the period under review, the tenure/change is not comparable with the full financial year 2024-25. Whereas, the average increase in remuneration of employees of the company was 7.30% which is in line with the policy of the company and prevailing market conditions.

During the year, the average increase in the remuneration of all employees, excluding the remuneration of Managing Director was about 7.69%, whereas the increase in remuneration of Managing Director was about 0.19%. Besides this, there were no exceptional circumstances for increase in remuneration of Managing Director. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy of the Company and in accordance with the approval of the shareholders. The other Directors, who are resident in India, are paid only the sitting fee for attending the meetings of the Board and/or its Committees and are not paid any variable component.

Information as required under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the financial year ended 31st March, 2026, is as follows:

Name of Employee	Age (in Years) as on 31/03/2026	Designation; Nature of duties; date of commencement of employment and experience in years	Annual Remuneration (INR in Million)	Qualifications	Last employment Held	% of Equity Shares Held by Employee	Whether related to any Director of the Company
R. Krishna Kumar	50	Appointed as the Managing Director with effect from 1st August, 2014 for a period of five years and recently reappointed for another term of five years, effective from 1st August, 2024. He possesses a total experience of about 30 years. He is responsible for overall management and day- to-day affairs of the company. He has worked for the company in various capacities, lastly in the capacity of President, since 01/01/2010.	26.50*	B.E.	Vice President - Voith Paper Technology (India) Private Limited / Assistant General Manager - Larsen & Toubro Limited.	NIL	No

* Excluding the amounts payable towards post-employment benefits, leave encashment and other sums payable in accordance with the terms of employment.

ANNEXURE - IV

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 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,
Voith Paper Fabrics India Limited,
Plot No. 113/114 - A, Sector-24,
Faridabad – 121005 (Haryana)

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Voith Paper Fabrics India Limited CIN: L74899HR1968PLC004895 (hereinafter called "the Company")**. The Secretarial Audit was conducted for the Financial Year 2025-26 in a manner that provided us with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

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

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable for the 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 (Listing Obligations and Disclosure Requirement) Regulations, 2015;

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

  (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

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

  (f) The Securities and Exchange Board of India (Share-based Employee Benefits and Sweat Equity Share) Regulations, 2021; (**Not applicable for the period under review**)

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

  (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not applicable for the period under review**)

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

(vi) Other Laws which are specifically applicable to the company namely:

  ➢ The Factories Act, 1948

- ➢ The Workmen's Compensation Act, 1923
- ➢ The Apprentices Act, 1961
- ➢ Contract Labour (Regulation & Abolition) Act, 1970
- ➢ The Employees' State Insurance Act, 1948 (ESI Act)
- ➢ The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- ➢ The Indian Boiler Act, 1923
- ➢ Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- ➢ The Prevention of Sexual Harassment (PoSH) Act, 2013
- ➢ Minimum Wages Act, 1948
- ➢ Payment of Wages Act, 1936
- ➢ Payment of Bonus Act, 1965
- ➢ Payment of Gratutity Act, 1972
- ➢ Maternity Benefits Act 1961
- ➢ Industrial Employment And Standing Orders Act, 1946
- ➢ The Air (Prevention and Control of Pollution) Act, 1981.
- ➢ The Water (Prevention and Control of Pollution) Act, 1974.
- ➢ Environment (Protection) Act, 1986

(vii) On the basis of written Representation and details of the Industry provided by the Company, we confirm that no other laws are specifically applicable to 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 and notified by the Ministry of Corporate Affairs.

(ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange (BSE Limited) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes were made in the composition of Board of directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings. The agenda and detailed notes on agenda are circulated at least seven clear days in advance, as required under the Articles of Association (AoA) of the Company. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific events/actions were taken by the Company which has a major bearing on the Company's affairs in pursuance of the act, rules, regulations, guidelines, standards, etc.

Place: Faridabad
Date: 13th May 2026
UDIN: F004103H000348062
ICSI Peer Review Regd. No.: 6960/2025

For P. C. Jain & Co.
Company Secretaries
(FRN: P2016HR051300)

Sd/-
(P.C. Jain)
Managing Partner
M. No.: FCS 4103
CP No.3349

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure - A

To,
The Members,
Voith Paper Fabrics India Limited
Plot No. 113/114 - A, Sector - 24,
Faridabad – 121005 (Haryana)

Dear Members,

Our Secretarial Audit Report for the financial year 2025-2026 of even date is to be read along with this letter.

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts were 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, personal records of employee(s) 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 the happening of events etc.

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

Place: Faridabad
Date: 13th May 2026
UDIN: F004103H000348062
ICSI Peer Review Regd. No.: 6960/2025

For P. C. Jain & Co.
Company Secretaries
(FRN: P2016HR051300)

Sd/-
(P.C. Jain)
Managing Partner
M. No.: FCS 4103
CP No.3349

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is the foundation of a trusted, resilient, and future-ready organization. It defines the framework through which a company is directed and controlled, ensuring that decisions are made with integrity, accountability, transparency, and a clear focus on long-term value creation. Strong governance strengthens oversight, supports ethical conduct, protects the interests of all stakeholders, and enables the organization to navigate complexity with confidence and discipline.

At Voith, governance is rooted in our culture. It is not viewed merely as a framework of rules, but as a way of doing business that strengthens trust among stakeholders and supports the company's long-term sustainability. Our governance philosophy is built on the belief that clear policies, sound systems, and strong internal controls are essential to the success of any enterprise.

The Company is committed to maintaining the highest standards of governance through a robust framework of policies, systems, and practices that ensure responsible management and effective oversight by the Board of Directors. The governance framework is designed to safeguard stakeholder interests, ensure compliance with applicable laws and regulations, and promote responsible decision-making across all levels of the organization.

The Board of Directors plays a pivotal role in providing strategic direction, monitoring performance, and maintaining effective control mechanisms, while fostering a culture of ethical behavior and risk awareness. The Company believes that an independent and empowered Board, supported by transparent disclosures and strong internal controls, is essential for long-term organizational success.

Your Company confirms compliance with the Corporate Governance requirements stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the details of which are as set out hereunder:

BOARD OF DIRECTORS

- Board's Composition – As at 31st March, 2026, the Board of Directors of the company comprised of six Directors including a Non-Executive Chairman, a Managing Director, One Non-Executive Non-Independent Director, One Non-Executive Independent Director and two Non-Executive Independent Woman Directors. The Chairman of the Board is nominated by the holding company. None of the directors hold any inter-se relationship with each other.
- The Independent Directors constitute not less than one-half of the Board which includes two Independent Women Directors.

  The composition of the Board is reviewed periodically to ensure that it remains aligned with regulatory requirements and the evolving needs of the Company.

  The Board of Directors plays a crucial role in overall functioning of the organization. The Board functions in accordance with the powers prescribed under Companies Act, 2013; SEBI (LODR) Regulations 2015; Memorandum and Articles of Association of the Company and other guidelines issued by the authorities, from time to time.
- Skill/expertise/competence of the Board of Directors of the Company –The Board of Directors of the Company possesses an appropriate mix of skills, expertise, experience, and competencies required for effective functioning of the Board and governance of the Company's business and affairs. The Board, in consultation with the Nomination and Remuneration Committee, has identified the following core skills/expertise/competencies required in the context of the Company's business and sector.

Skill	Description
Leadership & Strategy	Leadership experience, strategic planning, business transformation and long-term vision
Engineering & Technical	Knowledge of industrial manufacturing processes, paper machine clothing industry, engineering and operations
Legal	Interpretation of statutes and provisions of applicable laws.
Financial & Accounting Expertise	Financial reporting, accounting, internal controls, audit and capital allocation
Risk Management & Internal Controls	Enterprise risk management, compliance oversight and internal financial controls
Corporate Governance & Regulatory Compliance	Understanding of corporate governance practices, SEBI regulations and legal compliance
Sales & Marketing	Customer relationship management, business development and market strategy,
General Administration	Operational management, & organizational administration,

➢ **Board Skill Matrix**

Skills / Directors	Mr. Martin Bassmann	Mr. Ravinder Nath	Dr. Deepti Gupta	Ms. Pallavi Dinodia Gupta	Dr. Ram Sewak Sharma	Mr. R. Krishna Kumar
Leadership & Strategy	✓	✓	✓	✓	✓	✓
Engineering & Technical	✓	-	✓	✓	✓	✓
Legal	-	✓	-	✓	✓	-
Financial & Accounting Expertise	✓	✓	✓	✓	✓	✓
Risk Management & Internal Controls	✓	✓	✓	✓	✓	✓
Corporate Governance & Regulatory Compliance	✓	✓	✓	✓	✓	✓
Sales & Marketing	✓	-	-	-	✓	✓
General Administration	✓	✓	✓	✓	✓	✓

Details of Board Meetings – Between the period from 1st April, 2025 and 31st March, 2026, the Board met on four occasions as follows:

- On 22nd May, 2025 in first Quarter of 2025/26.
- On 06th August, 2025 in second Quarter of 2025/26.
- On 13th November, 2025 in third Quarter of 2025/26.
- On 04th February, 2026 in last Quarter of 2025/26.

➢ Meeting of Independent Directors – As per requirement of Regulation 25 of SEBI (LODR) Regulations, 2015 and provisions of Section 149 read with Schedule IV of Companies Act, 2013, an exclusive meeting of Independent Directors was also held without the presence of Non-Independent Directors & members of management, on 04th February, 2026, at which Two Independent Directors were present and leave of absence was granted to Dr. Ram Sewak Sharma.

The Board also confirms that in its opinion, all the independent directors fulfill the applicable conditions of independence as specified in the SEBI (LODR) Regulations, 2015 read with section 149 of the Companies Act, 2013 and that they are independent of the management of the company.

It is further disclosed that none of the Independent directors resigned before the expiry of their tenure during the year under review.

➢ Names and Categories of Directors on the Board, their attendance at the Board Meeting and Annual General Meeting and number of Directorships and Committee positions held by them in other companies, as at 31/03/2026, are as given below:

Name of Director	Category	Number of Board Meetings attended during the year	Attendance at the last AGM held on 21/08/2025	No. of Director-ships held as on 31/03/2026 in other Indian companies (Public and Private)		No. of Audit/SRC Committee	
				As Chairman	As Director	As Chairman	As Director
Mr. Martin Bassmann (Chairman of the Board)	Non-Executive and Non-Independent Director (Nominee of the Holding Company	1	Present	-	-	-	-
Mr. Ravinder Nath	Non-Executive and Non-Independent Director	3	Present	-	1	-	-
Dr. Deepti Gupta	Non-Executive and Independent Woman Director	4	Present	-	1	-	1
Ms. Pallavi Dinodia Gupta	Non-Executive and Independent Woman Director	4	Present	-	5	2	7
Dr. Ram Sewak Sharma	Non-Executive and Independent Director	3	Present	-	8	-	4
Mr. R. Krishna Kumar	Managing Director	4	Present	-	1	-	-

*The Committee membership count is inclusive of the positions of chairperson held by Directors.

➢ Details of other listed entities where the concerned Directors are holding any Board position, is given below:

Name of Director	Directorships (with Category) held in other Listed Companies as on 31/03/2026
Dr. Ram Sewak Sharma	1. Tanla Platforms Limited - Independent Director
Ms. Pallavi Dinodia Gupta	1. Jagson Pal Pharmaceuticals Limited - Independent Director 2. Indiamart Intermesh Limited - Independent Director 3. Lumax Industries Limited - Independent Director

➢ Details of shareholding of Directors and their relatives as on 31/03/2026:

Name of Director	Shares held by Director & their relatives in the Company
Mr. Martin Bassmann	NIL
Mr. Ravinder Nath	NIL
Dr. Deepti Gupta	NIL
Ms. Pallavi Dinodia Gupta	NIL
Dr. Ram Sewak Sharma	NIL
Mr. R. Krishna Kumar	NIL

➢ Familiarization Programme for Independent Directors:

The Independent Directors are well acquainted with their roles, rights, duties and responsibilities in the company, nature of industry in which the company operates, business model of the company etc.

In addition, dedicated time is set aside during Audit Committee and Board Meetings to keep the Directors - including the Independent Directors - informed of recent developments relating to the Company's operations, business model, regulatory and statutory changes, and other matters arising since the previous meeting. These updates are provided by the Statutory Auditors, Managing Director, and Company Secretary, as appropriate. Through these interactions and visits, the Independent Directors are able to devote adequate time to familiarize themselves with, and remain updated on, the Company's activities.

The details of the familiarization program for Independent Directors are also available under the 'Investor Relations' section on the 'Investors Corner' page of the Company's website at. https://www.voith.com/corp-en/about-us/markets-locations/india/voith.com/corp-en/vp_india_website_familiarization-programme-r.pdf.

➢ Committees of the Board – The company has constituted the following four Committees of the Board as per the requirements of Companies Act, 2013 and SEBI(LODR) Regulations, 2015 :

A. AUDIT COMMITTEE

Composition - In accordance with the provisions of Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (LODR), Regulations 2015, as at 31st March, 2026 the Audit Committee of the Company comprised of four Directors, including three Non-Executive & Independent Directors and one Non-Executive & Non-Independent Director. Ms. Pallavi Dinodia Gupta is the Chairperson of the Committee.

Meetings and Attendance - Four meetings of the Audit Committee of the Board of Directors took place during the year under review. For the year ended 31/03/2026, the attendance details of Committee Members at the Meetings held on 22nd May, 2025, 06th August, 2025, 13th November, 2025 and 04th February, 2026, are as follows:

Name & Designation of Director in the Committee	Category	No. of meetings attended
Ms. Pallavi Dinodia Gupta, Chairperson	Non-Executive & Independent Woman Director	4
Mr. Martin Bassmann, Member	Non-Executive & Non-Independent Director	1
Dr. Deepti Gupta, Member	Non-Executive & Independent Woman Director	4
Dr. Ram Sewak Sharma, Member	Non-Executive & Independent Director	4

Mr. C. S. Gugliani served as the Secretary to the Committee up to 2nd December, 2025. Subsequent to the change in Company Secretary during the year, Mr. Deepak Behl, Company Secretary & Compliance Officer, is acting as the Secretary to the Committee since 3rd December, 2025.

Related Party Transaction Policy: Company has formulated a Policy on Related Party Transactions as per the requirements of SEBI (LODR) Regulations, 2015 which was last reviewed and approved by the Board on 07th February, 2025.

The relevant Policy can be accessed at link of 'Company Policies' on 'Investors Corner' page on the Company's website at https://www.voith.com/corp-en/vp_india_website_rpt-policy-accepted-2025.pdf

Terms of Reference - The Charter of the Audit Committee inter-alia articulates its role, responsibilities and powers as follows:

- Oversight of the Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statements are correct and credible.
- Recommendation for appointment, remuneration and terms of the appointment of auditors.
- Approval of payment to auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013 (the Act). Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management, significant adjustments made in the financial statements arising out of audit findings, compliance with listing and other legal requirements relating to financial statements, disclosure of related party transactions, and modified opinion(s) in the draft audit report, if any.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring utilization of proceeds of a public issue or rights issue or preferential issue or QIP and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval of transactions with related parties and any subsequent modification of such transactions in accordance with the Act read with the Rules made thereunder and the SEBI (LODR) Regulations, 2015.
- Scrutiny of inter-corporate loans and investments, if any.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

- Reviewing mandatory information including management discussion and analysis of financial condition and results of operations, statement of significant related party transactions (as defined by the Audit Committee) submitted by the management, management letters/letters of internal control weaknesses issued by the statutory auditors, and internal audit reports relating to internal control weaknesses.
- To review the functioning of whistle blower mechanism.
- Reviewing the utilization of loans and/or advances from/investment in the subsidiary exceeding ₹100 Crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances/investments.
- Carrying out any other function(s) as may be delegated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

B. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

Composition - In accordance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, as at 31st March, 2026, the SRC comprised of three Directors including one Non-Executive & Non-Independent Director, one Non-Executive & Independent Woman Director and one Executive Director. Mr. Ravinder Nath is the Chairman of the Committee.

Meetings and Attendance - Three meetings of the SRC of Board of Directors took place during the year under review. For the year ended 31/03/2026, the attendance details of Committee Members at the Meetings held on 06th August, 2025, 13th November, 2025 and 04th February, 2026 are as follows:

Name & Designation of Director in the Committee	Category	No. of meetings attended
Mr. Ravinder Nath, Chairman	Non-Executive & Non-Independent Director	3
Dr. Deepti Gupta, Member	Non-Executive & Independent Woman Director	3
Mr. R. Krishna Kumar, Member	Managing Director	3

Mr. C. S. Gugliani served as the Secretary to the Committee up to 2nd December, 2025. Pursuant to the change in Company Secretary during the year, Mr. Deepak Behl, Company Secretary & Compliance Officer, is acting as the Secretary to the Committee since 3rd December 2025.

Details of Investor Complaints received & disposed-off during the year are as follows:

Particulars	Related to Share Transfers	Other Complaints
Number of complaints pending as on 01/04/2026	0	0
Number of complaints received during the period from 01/04/2025 to 31/03/2026	0	0
Number of complaints disposed-off during the period from 01/04/2025 to 31/03/2026	0	0
Number of complaints pending as on 31/03/2026	0	0
Number of complaints not solved to the satisfaction of the shareholder from 01/04/2025 to 31/03/2026	0	0

Terms of Reference - The Charter of the Stakeholders' Relationship Committee (SRC) inter-alia articulates its role, responsibilities and powers as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new / duplicate certificates etc.
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services rendered by its' Registrar & Share Transfer Agent;

- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring their timely receipt of dividends and annual report / statutory notices by the shareholders of the Company.

- Perform all functions relating to the interests of security holders of the Company as may be assigned by the Board from time to time and/or as may be required under the provisions of the Companies Act, 2013 and Rules made thereunder, SEBI (LODR) Regulation, 2015 with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority.

C. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition - In accordance with the provisions of Section 135 of Companies Act, 2013 read with Rule 5 of Companies (CSR Policy) Rules, 2014, as at 31st March, 2026 the CSR Committee comprised of four directors, three of whom are Non-Executive Directors. The Committee also comprises of one Independent Director.

Mr. Martin Bassmann, Chairman of the Board is also the Chairman of the CSR Committee.

Meetings and Attendance - One meeting of the CSR Committee of the Board of Directors took place during the year under review. The attendance details of the Members at the Committee Meeting held on 06th August, 2025 during the year under review are as follows:

Name & Designation of the Director in the Committee	Category	No. of meetings attended
Mr. Martin Bassmann, Chairman	Non-Executive & Non-Independent Director	0
Mr. Ravinder Nath, Member	Non-Executive & Non-Independent Director	1
Dr. Deepti Gupta, Member	Non-Executive & Independent Woman Director	1
Mr. R. Krishna Kumar, Member	Managing Director	1

Mr. C. S. Gugliani served as the Secretary to the Committee up to 2nd December, 2025. Pursuant to the change in Company Secretary during the year, Mr. Deepak Behl, Company Secretary & Compliance Officer, is acting as the Secretary to the Committee since 3rd December, 2025.

Terms of Reference - The Charter of the Corporate Social Responsibility Committee inter-alia articulates its role, responsibilities and powers as follows:

- Formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval;
- Formulate and recommend an Annual Action Plan (including any revisions thereto) to the Board for its approval;
- Identify project(s) of the Company as 'Ongoing Projects';
- Recommend the annual CSR expenditure budget to the Board for approval;
- Review implementation of CSR activities of the Company within the applicable framework;
- Nominate members of the Management for effective implementation of the CSR programs and approve any changes thereto;
- Review of report on feedback obtained, if any, from the beneficiaries on the CSR programmes, and outcome of social audit, if any, conducted with regards to the CSR programmes;
- Carrying out an impact assessment through an independent agency of project(s) having an outlay of ₹1 Crore or more and in respect of which a period of one year has elapsed since completion of such project;
- Review adequacy of the CSR Policy at such intervals as the CSR Committee may deem fit and recommend changes, if any, to the Board from time to time;
- Carrying out any other function(s) as may be delegated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

D. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Composition - In accordance with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of SEBI(LODR) Regulations, 2015, as at 31st March, 2026 the NRC comprised of three Directors, including two Non-Executive & Independent Directors and one Non-Executive & Non-Independent Director. Dr. Deepti Gupta, an Independent Director is the Chairperson of the NRC.

Meetings and Attendance - Two meetings of the NRC of the Board of Directors took place during the year under review. The attendance details of Members at the Committee Meetings held on 22nd May, 2025 and 13th November, 2025 during the year under review, are as follows:

Name & Designation of the Director in the Committee	Category	No. of meetings attended
Dr. Deepti Gupta, Chairperson	Non-Executive & Independent Woman Director	2
Mr. Martin Bassmann, Member	Non-Executive & Non-Independent Director	1
Ms. Pallavi Dinodia Gupta, Member	Non-Executive & Independent Woman Director	2

Mr. C. S. Gugliani served as the Secretary to the Committee up to 2nd December, 2025. Pursuant to the change in Company Secretary during the year, Mr. Deepak Behl, Company Secretary & Compliance Officer, is acting as the Secretary to the Committee since 3rd December, 2025.

Terms of Reference - The Charter of the Nomination and Remuneration Committee (NRC) and provisions of the SEBI (LODR) Regulations, inter-alia articulates its responsibilities and authority as follows:

- Formulate criteria for qualifications, positive attributes and independence of a Director, KMP and SMP;
- Identify the candidates who are qualified to be appointed as Director, KMP and SMP and recommend to the Board their appointment and removal;
- Recommend to the Board a policy relating to the remuneration of the Directors, KMP and SMP;
- Approve the remuneration (including revisions thereto) of the Directors, KMP and SMP and further recommend the same to the Board for its approval; Formulate the criteria for evaluation of performance of Board, its Committees, individual Directors and the Chairperson of the Company;
- Devise a policy on Board diversity;
- Devise a succession plan for the Board, KMP and SMP;
- Decide whether to extend/continue the term of appointment of Independent Directors on the basis of their performance evaluation report;
- Carrying out any other function(s) as may be delegated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

PERFORMANCE EVALUATION CRITERIA OF DIRECTORS, BOARD AND ITS COMMITTEES

The NRC evaluates the performance of every Director on the basis of defined parameters as spelt out in the Nomination And Remuneration Policy, and forwards its report along with recommendation, to the Board on annual basis. The criteria for appointment, removal and remuneration are as per the remuneration policy of the company.

Following process is adopted for evaluation of performance of Directors, Committees and the Board:

The relevant Evaluation Forms are circulated and received from all Directors evaluating the performance of other Directors, Committees, the Chairman of the Board and Board as a whole

The evaluation is made on the basis of duties & responsibilities, devotion of sufficient time and attention to their professional obligations, professional skill, timeliness of information, composition and size of Board and its committees, constructive participation in the Meetings of the Committees and the Board, etc.

Thereafter, the NRC submits its recommendation & suggestions for improvement, if any, in respect of Directors, Committees and the Board; as well as the results of evaluation are placed and discussed at the Board Meeting. Individual Directors are also provided necessary feedback by the Board, at least once in a year.

Performance Evaluation Criteria of Independent Directors- The performance of Independent Directors is evaluated by the Board, excluding the Director concerned, in accordance with the applicable legal requirements.

The evaluation framework is designed to assess the effectiveness of the Independent Directors in discharging their roles, responsibilities, and fiduciary duties.

The Independent Directors also review the performance of Non-Independent Directors, the Board as a whole, and the Chairperson of the Company, besides assessing the quality, quantity, and timeliness of the flow of information between the Management and the Board.

Based on the outcome of the performance evaluation process, the Board determines whether to continue and extend the appointment of the Independent Directors.

REMUNERATION OF DIRECTORS

Executive Directors including Managing Director (MD) and Whole Time Director (WTD) shall be paid remuneration comprising several components (including fixed as well as variable), as the case may be, decided and approved by the Board from time to time, on the recommendation of the NRC and also approved by the shareholders. Such remuneration will be determined according to the industry standards, experience, laws and regulations, prevailing market conditions and scale of Company's business relating to the position. The policy also contains the scope and criteria for evaluation of Independent Directors and the Board as a whole.

Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) shall be paid such remuneration as recommended by the NRC and approved by the Board from time to time. However, for all KMPs (except for the MD/WTD) and/or SMPs or other employees, the NRC/Board may also authorize the person in-charge of day-to-day affairs of the company to decide their remuneration based on their qualification, experience, expertise and their performance.

Details of payment made to Non-Executive Directors – In order to retain seasoned professional on Board & to receive their valuable guidance, the Non-Executive Directors, resident in India, were paid the sitting fee for attending the meetings of the Board and/or its Committees at the rate of INR 100,000/- and INR 50,000/- respectively, per meeting. There is no other pecuniary relationship or transaction of Non-Executive Directors with the Company.

Name of Director	Sitting Fees (in INR) paid, during the year under review, for attending the meetings of					Total Sitting Fees Paid (INR)
	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	
Mr. Ravinder Nath	300,000	-	-	150,000	50,000	500,000
Dr. Deepti Gupta	400,000	200,000	100,000	150,000	50,000	900,000
Ms. Pallavi Dinodia Gupta	400,000	200,000	100,000	-	-	700,000
Dr. Ram Sewak Sharma	300,000	200,000	-	-	-	500,000

➢ The Company does not have any stock option scheme for Directors/employees, and no severance fee is payable to any Non-Executive Director.

PAYMENTS MADE TO THE MANAGING DIRECTOR {CEO FOR THE PURPOSE OF SEBI (LODR) REGULATIONS, 2015}

Following are the details of remuneration (including perquisites and retirement benefits) paid/payable to the Managing Director, Mr. R. Krishna Kumar, for the financial year ended on 31st March, 2026:

Particulars	Amount (INR in Million)
Basic	5.04
Performance Linked Reward	8.22
Allowances and perquisites	11.88
Contribution to Provident Fund	12% of Basic Salary
Contribution to Gratuity Fund	Through Group Gratuity Scheme with LIC of India
Contribution to Superannuation Fund	15% of Basic Salary

SENIOR MANAGEMENT PERSONNEL

Senior Management shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer or Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

Sr. No.	Name of Employee	Designation
1	Kalyan Dasgupta	CFO (Finance Controller)
2	Praveen Batra	AVP - Sales & Service
3	Rakesh Kumar Malani	AVP / Factory Manager
4	Deepak Behl	Company Secretary

During the financial year ended March 31, 2026, there was a change in the Senior Management of the Company. Mr. Deepak Behl assumed the office of Company Secretary with effect from December 3, 2025, consequent to the superannuation of Mr. C. S. Gugliani.

GENERAL BODY MEETINGS

➢ Details of last three Annual General Meetings held:

Year (AGM)	Venue	Day & Date	Time
2025 (55^{th})	Voith Paper Fabrics India Limited Faridabad, 113/114-A, Sector-24, Faridabad - 121005, Haryana (through Video Conferencing)	Thursday 21/08/2025	3:30 p.m.
2024 (54^{th})	Voith Paper Fabrics India Limited Faridabad, 113/114-A, Sector-24, Faridabad - 121005, Haryana (through Video Conferencing)	Friday 09/08/2024	3:30 p.m.
2023 (53^{rd})	Voith Paper Fabrics India Limited Faridabad, 113/114-A, Sector-24, Faridabad - 121005, Haryana (through Video Conferencing)	Thursday 10/08/2023	3:30 p.m.

➢ Special Resolutions:

The following Special Resolutions were passed at the last three Annual General Meetings:

Year (AGM)	Matter(s) for which Special Resolution was passed
2025 (55^{th})	Re-appointment of Mr. Ravinder Nath as a Non-executive Director, liable to retire by rotation. Appointment of M/s Price Waterhouse Chartered Accountants LLP, as Statutory Auditors. Re-appointment of Dr. Deepti Gupta as an Independent Woman Director.
2024 (54^{th})	Continuation of Mr. R. Krishna Kumar as Managing Director of the Company.
2023 (53^{rd})	Re-appointment of Mr. Ravinder Nath as a Non-executive Director, liable to retire by rotation. Re-appointment of Ms. Pallavi Dinodia Gupta as an Independent Woman Director.

Special Resolutions Passed Through Postal Ballot:

Special Resolution was passed to approve the appointment of Dr. Ram Sewak Sharma as an Independent Director of the Company through the process of Postal Ballot. The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the rules framed thereunder and MCA Circulars and applicable regulations of SEBI (LODR) Regulations, 2015. M/s P.C. Jain & Co, Company Secretaries acted as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner. Voting results are available on the websites of BSE Limited and the website of the Company at https://www.voith.com/corp-en/Website_Postal_Ballot_2025_Voting_Result.pdf

Further there is no special resolution proposed to be passed at the ensuing Annual General Meeting which is required to be approved by the shareholders through Postal Ballot. Requirements of Postal Ballot shall be complied with, as required by relevant laws.

DISCLOSURES

i. During the year ended 31st March, 2026, there has been no materially significant transaction entered by the company with any party which is considered to have potential conflict with interest of the company at large. The details of all related party transactions are placed and approved by the Audit Committee and Board of Directors on periodical basis.

ii. During the last three years, except for a fine of Rs.11,800/- levied by BSE for delay in disclosure of details of related party transactions as per regulation 23(9) of SEBI (LODR) Regulations, 2015 during the Financial Year 2023-2024, there have been no instances of non-compliance and no other penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on matters related to the capital market.

iii. In accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations 2015, the Company has formulated a 'Vigil Mechanism/Whistle Blower Policy' which provides an avenue to the Directors and employees of the Company to directly report, their genuine concerns including unethical behavior and violation of code of conduct, to the Chairman of the Audit Committee. The Policy can be accessed on the website of the Company at https://www.voith.com/corp-en/vp_india_Website_WhistleBlower.pdf

No person has been denied access to the Chairman of the Audit Committee of the Board of Directors of the Company.

iv. The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015. The Company has not adopted discretionary requirements as specified in Part E of Schedule II in terms of Regulation 27(1) of the SEBI (LODR) Regulations, 2015 details of which are stated separately under 'Status of Adoption of Non-mandatory/Discretionary Requirements'.

v. At present, Company does not have any subsidiary; therefore it has not formulated any Policy for determining 'material' subsidiary. Hence, there is also no requirement for disclosure of details of material subsidiaries, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

vi. The Policy for dealing with Related Party Transactions can be accessed under 'Company Policies' link at the weblink https://www.voith.com/corp-en/vp_india_website_rpt-policy-accepted-2025.pdf

vii. Commodity price risk and commodity hedging activities or foreign exchange risk and hedging activity: The company does not deal in Commodities. However, risks pertaining to foreign exchange are hedged by the company from time to time, on need basis.

viii. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI (LODR) Regulations,, 2015.

ix. The company had neither issued any debenture, bond or non-convertible security, nor taken any loan from banks/financial institutions. Hence, there was no need to obtain credit rating for its securities.

x. A certificate from a Company Secretary in Practice, confirming that none of the directors has been debarred / disqualified by the Board/Ministry of Corporate affairs or any such statutory authority, from being appointed or continuing as Director on the Board of the Company, is forming part of this Report.

xi. During the year, there were no instances where Board had not accepted any recommendation of any Committees of the Board which is mandatorily required.

xii. Company has paid INR 3.44 million in aggregate (excluding applicable taxes), to statutory auditors and all entities in their network firms, for all services availed from them during the year.

xiii. There were no complaints filed and pending during the year under review in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A detailed disclosure in this respect is given in the Board's Report.

xiv. The Company has complied with all the requirements of Corporate Governance Report as stated under sub paras (2) to (10) of section (C) of Schedule V to the SEBI (LODR) Regulations, 2015.

xv. The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

xvi. There were no agreements that are binding the entity as per Clause 5A of paragraph A of Part A of Schedule III of SEBI(LODR) Regulations, 2015.

xvii. Pursuant to the requirements of Schedule V of the SEBI (LODR) Regulations, 2015, it is hereby confirmed that none of the Directors on the Board of the Company are related to each other.

DISCLOSURES OF ACCOUNTING TREATMENT

While preparation of Financial Statements, the applicable Accounting Standards, issued by The Institute of Chartered Accountants of India (ICAI), have been followed.

MEANS OF COMMUNICATION

- Intimation to Stock Exchange - Your Company believes that all the stakeholders should have access to adequate information about the Company. All information, which could have a material bearing on the share prices, is released at the earliest to the BSE in accordance with the requirements of SEBI (LODR) Regulations, 2015.
- Newspapers – The financial results and other communications of the Company are normally published in 'Financial Express' and 'Jansatta'.
- Website - The financial results are also displayed on 'Financial Results' link on 'Investor Corner' page on the company's website at www.voithpaperfabricsindia.com The Company also updates the website with other relevant information, as and when required.
- The Company has designated separate sections on its website for investors where financial results, annual reports, policies, shareholding patterns, notices, disclosures under Regulation 46 of SEBI (LODR) Regulations and other relevant information are made available.
- The company did not make any official news release nor made any presentations to the institutional investors or analysts, during the year under review.

GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Day & Date	Time	Venue
19th August 2026 (Wednesday)	3:30 p.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), at the Registered Office of the Company (Deemed Venue) at: 113/114-A, Sector-24, Faridabad-121005 (Haryana)

Financial Year (From 1st April, 2026 to 31st March, 2027)

Subject to any directive/instruction from the statutory authorities in this regard, tentative dates of releasing financial results for quarter ending:

- 30th June, 2026 - By 14th August, 2026
- 30th September, 2026 - By 14th November, 2026
- 31st December, 2026 - By 14th February, 2027
- 31st March, 2027 - By 30th May, 2027

Record Date, Book Closure and Dividend Payment date:

Wednesday, 12th August 2026 is the Record date to ascertain the entitlement of shareholders to receive dividend for the year ended 31st March, 2026.

Book Closure: From Thursday, 13th August, 2026 to Wednesday 19th August, 2026 (both days inclusive).

Dividend Payment Date: Dividend would be credited in the account of shareholders whose ECS Mandate is available, within 30 days of declaration of dividend at Annual General Meeting. **For members whose bank details are not updated and/or to whom the electronic payment of dividend could not be made successfully, necessary dividend warrants / demand drafts / cheques would NOT be sent in pursuance of instructions/clarifications from SEBI in this regard. Hence, shareholders are advised to kindly update their NECS Mandates with the Company/RTA (for shares held in physical mode) or the Depository Participant (for shares held in demat mode) at the earliest.**

Also, the amount of Rs.448,515/- that remained as unpaid/unclaimed dividend for the year 2017-18, became due to be transferred during the year under review, was duly transferred to the Investor Education and Protection Fund Authority (IEPF Authority) in accordance with the provisions of Section 124 of the Companies Act, 2013.

Further 5,626 shares of the Company (in respect of which dividends have remained unclaimed/unpaid for seven consecutive years), were also transferred to the IEPF Authority and an aggregate of 60,700 shares were appearing in the name of IEPF Authority as at 31st March, 2026, in accordance with the applicable provisions of the Companies Act, 2013, and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2017, as amended. Relevant details in this regard have also been made available on the website of the company at the sub-heading of 'IEPF Shares', under main heading of 'Investor Relations' link on 'Investors Corner' page at www.voithpaperfabricsindia.com

LISTING ON STOCK EXCHANGE

The Equity Shares of the Company are currently listed for trading under Group 'X' of the BSE Limited, Mumbai (BSE) under Stock Code-522122. Company confirms that it has paid the annual listing fees to BSE for the year 2026/27 within stipulated time .

The Company also confirms the payment status of annual custodial fee for the year 2026/27, to the depositories as below (for ISIN-INE285C01015):

- National Securities Depository Limited (NSDL): paid
- Central Depository Services (India) Limited (CDSL): paid

FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is exposed to foreign exchange risk arising primarily on account of import of raw materials, export of goods, and other transactions denominated in foreign currencies.

Foreign currency risk is managed through continuous monitoring of foreign exchange exposure and implementation of appropriate risk mitigation measures. The Company evaluates exchange rate movements on an ongoing basis and takes necessary steps to minimize the impact of foreign currency fluctuations on its financial performance.

The Company follows a prudent and conservative hedging policy. Depending upon market conditions and exposure levels, the Company may enter into forward contracts and other permitted hedging instruments to hedge its foreign currency exposures.

REGISTRAR & TRANSFER AGENT (RTA)

MCS Share Transfer Agent Limited
179-180, Third Floor, DSIDC Shed,
Okhla Industrial Area Phase - I,
New Delhi - 110020 Phone: 011 - 41406149 to 51
Fax: 011 - 41709881, E-mail: helpdeskdelhi@mcsregistrars.com

SHARE TRANSFER SYSTEM

Investors may kindly note that SEBI has mandated that in case of securities market transactions and off-market/private transactions, involving transfer of shares of a listed company in physical mode, is not allowed w.e.f. 1st April, 2019.

MCS Share Transfer Agent Limited handles the investor services of the Company and also share transfer/transmission related work within the stipulated time prescribed under applicable laws, if the documents are found correct and valid in all respects.

As per the requirement of SEBI guidelines, the Company's shares are to be traded only in dematerialized form.

INFORMATION ON SHAREHOLDING

A. Shareholders with more than one percent holding as on 31st March, 2026:

Sl. No.	Name of the Shareholder	No. of shares held	% of shares held
1.	VP Auslandsbeteiligungen GmbH	3,252,418	74.04
2.	Om Prakash Rawat	60,000	1.37

Distribution of Shareholding as on 31st March, 2026:

No. of Shares held (Range)	No. of Shareholders	% to total Shareholders	No. of Shares	% to total Shares
1 - 500	4866	92.9690	315974	7.1934
501 – 1000	194	3.7065	142210	3.2375
1001 – 2000	90	1.7195	128984	2.9364
2001 – 3000	31	0.5923	76631	1.7446
3001 – 4000	15	0.2866	52278	1.1901
4001 – 5000	9	0.1720	39760	0.9052
5001 – 10000	17	0.3248	108762	2.4761
10001 and above	12	0.2293	3527960	80.3167
Total	5234	100.0000	4392559	100.0000

DEMATERIALISATION OF SHARES

The Company's shares are available for trading in the depository systems of both the NSDL and the CDSL. 3,252,418 equity shares owned by the holding company are held in dematerialized mode.

Out of remaining 1,140,141 equity shares; 1,103,098 equity shares of the company forming 96.75% of the total public shareholding, stands dematerialized as on 31st March, 2026.

LIQUIDITY OF SHARES

The Equity shares of the Company have been included in the 'X' Group of the BSE Limited, Mumbai (BSE).

OUTSTANDING ADR'S / GDR'S / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

Till date your company has not issued any ADR/GDR/Warrant or any other Convertible Instruments.

PLANT LOCATION

113/114-A, Sector-24, Faridabad - 121005 (Haryana). Delhi NCR, India.

ADDRESS FOR CORRESPONDENCE

The Company Secretary,
Voith Paper Fabrics India Limited
113/114-A, Sector-24, Faridabad - 121005 (Haryana), Delhi NCR, India.
Phone: 0129 – 4292200; Fax: 0129 – 2232072
E-mail: investorcare.vffa@voith.com (dedicated email ID for investors as per Regulation 13 of SEBI(LODR) Regulations, 2015)

PARTICULARS OF SHARES IN THE UNCLAIMED SUSPENSE ACCOUNT

The shareholders may kindly take note that as per Regulation 39 read with Schedule VI of the SEBI(LODR) Regulations, 2015 the Company has consolidated and transferred the unclaimed/undelivered shares lying with the Company, to the unclaimed suspense account. It may kindly be noted that the voting rights on such shares shall remain frozen till the shares are reclaimed by the rightful owners. The details of such shares are as follows:

Sr. No.	Particulars	No. of cases	No. of Shares
1	Aggregate balance outstanding in the Unclaimed Suspense Account as on 01/04/2025	1	50
2	Total request received during the year, from shareholders for dispatch of shares to them	-	-
3	Shares dispatched in pursuance of valid requests received from shareholders	-	-
4	Aggregate balance outstanding in the Unclaimed Suspense Account lying with the Company as on 31/03/2026	1	50

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

In accordance with the requirements for a listed company, as stipulated by SEBI, a 'Reconciliation of Share Capital Audit' is conducted on a Quarterly basis by a firm of Company Secretaries, for the purpose of, inter-alia, reconciliation and confirmation of the total admitted equity share capital with the depositories and in the physical form, with the total issued / paid-up equity share capital of the Company as listed on the BSE.

Certificates issued in this regard are placed before the Board of Directors and forwarded to the BSE, where the equity shares of the company are listed.

CEO & CFO CERTIFICATION

The Board confirms that CEO & CFO certificate relating to the financial statements has been placed before it regularly. A copy of the relevant certificate pertaining to Annual Financials of the Company is reproduced hereunder:

COMPLIANCE CERTIFICATE AS REQUIRED UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Date: 20th May, 2026

The Board of Directors
Voith Paper Fabrics India Limited
Faridabad.

Dear Sirs,

It is confirmed and certified that:

a) We have reviewed financial statements and the cash flow statement for the period / year ended on March 31, 2026 and that to the best of my/our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year / period that are fraudulent, illegal or violative of any law(s) and the code of conduct of the company.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit committee:

   i. Significant changes in internal control over financial reporting during the period;

   ii. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and

   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Voith Paper Fabrics India Limited

-Sd/-	-Sd/-
R. Krishna Kumar	Kalyan Dasgupta
Managing Director	Chief Financial Officer

CODE OF CONDUCT

The company has formulated a Code of Conduct for its Board of Directors and members of Senior Management. The Code of Conduct is available on the website of the Company at the link https://www.voith.com/corp-en/vp_india_code-of-conduct_2026-01-updated.pdf.

DISCLOSURE OF LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

The Company has not given any loans or / and advances in the nature of loans to Firms/Companies in which directors are interested.

DECLARATION BY THE MANAGING DIRECTOR

It is hereby declared that in terms of Regulations 17(5) and 34 read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct for the Board of Directors and the Senior Management Team of the Company is available for reference of public at large, on the website of the Company www.voithpaperfabricsindia.com

Further, the Company has also obtained affirmation from each individual member of the Board of Directors and the Senior Management Team confirming compliance with the conditions of the said Code of Conduct.

For Voith Paper Fabrics India Limited

-Sd/-
R. Krishna Kumar
Managing Director
DIN: 05344619

STATUS OF ADOPTION OF NON-MANDATORY/DISCRETIONARY REQUIREMENTS

1. The Board - The Corporate Office of the Company does not bear the expenses of the office of the Chairman, as he is stationed outside India.

2. Shareholders Rights - The quarterly financial results and other material information, if any, are published in an English newspaper having nation-wide circulation and a local language newspaper. The results are also displayed on the website of the Company besides being available for public viewing through the website of BSE. Therefore, the half yearly results including summary of the significant events are not separately sent to the shareholders.

3. Audit Qualifications - The Company does not have any qualifications from the Auditors in its Financial Statements as on 31st March, 2026.

4. Chairman & CEO - The positions of Chairman and CEO are held by two different individuals. The Chairman is a non-executive director and is not related to the CEO in any capacity.

5. Reporting by the Internal Auditor - The Audit Committee and the Board were duly briefed about the Internal Audit Report submitted by the Internal Auditor.

COMPLIANCE CERTIFICATE

The Company has obtained a certificate from a Company Secretary in practice regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the same is reproduced below:

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

(Under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Voith Paper Fabrics India Limited
113/114-A, Sector-24
Faridabad - 121005 (Haryana)

We have examined the compliance of conditions of Corporate Governance by **VOITH PAPER FABRICS INDIA LIMITED** ('the Company') (**CIN: L74899HR1968PLC004895**) for the financial year ended on 31st March 2026, as stipulated under Regulations 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 ("SEBI Listing Regulations, 2015 ").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, as 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.

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.

On the basis of our review and according to the information and explanation provided to us, it is hereby certified and confirmed:

- That the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations with the Stock Exchange have been complied with in all material respect by the Company; and

- That 'No' investor grievance is pending for a period exceeding one month as per the records maintained by the Company.

Place: Faridabad
Date: 13th May, 2026
UDIN: F004103H000347479
ICSI Peer Review Regd. No.: 6960/2025

For P.C. Jain & Co.,
Company Secretaries,
(FRN: P2016HR051300)

Sd/-
(P.C. Jain)
Managing Partner
M. No.: FCS4103
CP No.3349

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
The Members
VOITH PAPER FABRICS INDIA LIMITED
(CIN: L74899HR1968PLC004895)
113/114-A, Sector-24,
Faridabad - 121005 (Haryana)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Voith Paper Fabrics India Limited** having (**CIN: L74899HR1968PLC004895**) and having registered office at **113/114-A, Sector-24 Faridabad - 121005 (Haryana)** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to us by the Company & its Director/ officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended as on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Directors	DIN	Date of Appointment of Director	Cessation date
1	Mr. Martin Bassmann	10766607	01/10/2024	NA
2	Mr. Ravinder Nath	00062186	24/10/1998	NA
3	Dr. Deepti Gupta	08481203	30/07/2020	NA
4	Ms. Pallavi Dinodia Gupta	06566637	29/05/2022	NA
5	Dr. Ram Sewak Sharma	02166194	01/03/2025	NA
6	Mr. Krishna Kumar Rajamohannair	05344619	01/08/2014	NA

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

For P.C. Jain & Co.,
Company Secretaries,
(FRN: P2016HR051300)

Place: Faridabad
Date: 13th May 2026
UDIN: F004103H000347193
ICSI Peer Review Regd. No. 6960/2025

Sd/-
(P.C.Jain)
Managing Partner
M. No.: FCS4103
CP No.: 3349

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

India's real GDP is estimated to have grown by about 7.4% in FY 2025-26, while the manufacturing sector and industrial production continued to witness stable growth. The Index of Industrial Production ("IIP") recorded a growth of 7.8% in December 2025, supported by surge in Manufacturing (8.1%), mining (6.8%) and electricity (6.3%) remained positive during the year. These indicators reflect continued momentum in industrial production and overall economic activity in the country.

India ranks 3rd globally in terms of paper & paperboard production volume, accounting for approximately 6% of the world's total paper output. It is one of the fastest growing markets globally for paper and paperboard, expanding at an average rate of 3-4% per year driven by rising demand from packaging, FMCG, e-commerce, and education sectors. Although per capita paper consumption in India remains lower than global averages and rising imports threaten competitiveness, the industry offers long-term growth potential supported by favorable demographics.

The Indian paper industry is primarily dominated by packaging paper and paperboard segments, followed by printing and writing paper. The specialty paper segment is also emerging as one of the fastest-growing categories owing to increasing industrial and specialized applications.

Government support through infrastructure upgrades, environmental clearances, and ease of doing business has improved industry attractiveness. Regulatory moves such as plastic bans have created strong demand for paper-based alternatives.

The growing shift towards sustainable and eco-friendly packaging solutions, coupled with heightened awareness regarding reduction in plastic usage and regulatory restrictions on single-use plastics, has further accelerated demand for paper-based alternatives.

The Paper Machine Clothing ("PMC") forms an integral part of the paper manufacturing process. PMC products such as forming fabrics, press fabrics and dryer fabrics play a critical role in improving machine efficiency, paper quality, productivity and energy optimization. Increasing focus by paper mills on operational efficiency, reduction in downtime and enhancement of machine speeds continue to drive demand for technologically advanced PMC solutions.

OUR STRENGTHS

The Company continues to strengthen its positions as a full-line supplier of paper machine clothing (PMC), catering to diverse requirements of the paper industry. The Company possesses deep knowledge and experience in manufacturing a wide range of industrial fabrics. Our Consistent performance and commitment to quality have helped us build long-term trust and credibility in the industry. Further the continuous efforts of our employees enables the Company in offering tailored solutions; reliable delivery schedules, and prompt after sales support, fostering long term relationships.

The Company's focus on sustainable paper making is a key strength, as it aligns with the evolving priorities of the paper industry and the increasing demand for environmentally responsible manufacturing solutions. By supporting customers through resource-efficient and performance-driven PMC products, the Company helps improve energy efficiency, reduce water consumption and minimize waste, thereby enabling more sustainable operations which helps in enhancing the Company's relevance in a changing market. Backed by the technological expertise, strong research and development capabilities and support of the Voith Group, the Company is well positioned to cater to the evolving and specific requirements of its customers.

OUR WEAKNESSES

The Company is subject to certain inherent limitations, including a significant dependence on key raw materials such as synthetic yarn & fibers, the price of which are often volatile. The high cost associated with technological upgradation, advanced machinery and innovation initiatives may impact operating costs and capital expenditure requirements.

The outlook for India's paper industry continues to be influenced by global economic uncertainties and evolving trade policies. Given that the Company's products are of limited use and are primarily supplied to paper mills, its long-term growth prospects are closely linked to the performance of the pulp and paper sector. Additionally, the industry is capital-intensive, with substantial requirements for energy and raw materials, and remains subject to regulatory and policy constraints imposed by the government. These factors may have an adverse impact on the Company's growth trajectory.

THE OPPORTUNITIES

The paper industry in India is entering a phase of meaningful growth, supported by evolving consumption patterns and structural shifts in end-use sectors. Rising demand for paper-based products especially in packaging and specialized applications continues to create new avenues for expansion. At the same time, increasing awareness around sustainability is encouraging the adoption of environmentally responsible products, positioning the industry to benefit from both regulatory support and changing customer preferences.

One of the key growth drivers is the rapid expansion of e-commerce and fast-moving consumer goods (FMCG), which is significantly boosting demand for packaging materials such as corrugated boxes, cartons, and paper-based bags. This trend is further reinforced by a gradual transition away from plastic packaging toward more sustainable alternatives. Companies that strengthen their packaging capabilities and align with eco-friendly solutions are likely to capture a larger share of this growing market.

In addition, demand for specialty papers including decorative, security, and filter papers is witnessing steady growth, supported by increasing applications across industries. This segment offers attractive opportunities for value creation through product innovation, quality enhancement, and targeted market development. Alongside this, the shift toward sustainable and recyclable paper products is gaining momentum, with increasing preference for biodegradable and recycled materials like agri-residues.

Beyond industrial applications, the industry is witnessing a resurgence in the writing and printing segment. Rising literacy levels continue to support demand for printing and writing paper, notebooks and other educational paper products. Household demand is boosting due to a heightened awareness about hygiene which has increased the consumption of tissues, napkins, etc. This educational push, combined with higher print circulation in various regions, ensures that the traditional paper segment remains a vital pillar of the industry's growth.

THE THREATS

Company's revenue and profit margins remain sensitive to changes in paper prices, which are often dragged down by cheaper imports and intense market competition. The Company remains exposed to risks arising from geopolitical tensions like the Middle East War, volatility in raw material and energy prices, foreign exchange fluctuations and disruptions in global supply chains. Further, increasing imports and competitive pricing pressures from international players may impact the domestic market environment and industry margins. Additionally, the ongoing shift toward digital platforms presents a long-term threat to demand in the newsprint and paper segments, making it harder to maintain steady growth and pricing power in the years ahead.

SEGMENT WISE REPORTING

As per Ind AS 108, the operating segment of the Company is identified to be as "manufacturing and selling of paper machine clothing", as the 'Chief Operating Decision Maker' ("CODM") reviews business performance at an overall Company level as one segment. Hence, there is no separate reportable segment.

During the year, the Company witnessed stable demand across its product categories with all major product lines registering consistent growth, supported by improving conditions in the paper and packaging industry, and continued customer engagement.

OUTLOOK

The Indian paper industry is poised for sustained growth, supported by structural demand drivers and evolving consumption patterns. The rapid expansion of e-commerce and organized retail continues to drive strong demand for containerboard, cartonboard, and other packaging grades. Additionally, rising literacy rates and increased spending on education are supporting demand for writing and printing paper, while growing consumption of hygiene products is further contributing to overall industry growth.

Sustainability remains a key focus area, with the industry witnessing a significant shift towards recycled and eco-friendly paper products. Increased investments in recycling infrastructure and circular economy practices are expected to enhance resource efficiency and reduce environmental impact. Government initiatives aimed at promoting waste paper recycling are also likely to provide further impetus to the sector.

India's relatively low per capita paper consumption compared to global averages presents a substantial opportunity for long-term expansion. This gap indicates strong underlying growth potential as economic development and consumption levels continue to rise.

Technological advancements in paper manufacturing, including improved recycling processes, development of barrier coatings, and adoption of lightweight materials, are expected to enhance product quality and broaden application areas, thereby strengthening industry competitiveness.

However, the industry continues to face certain challenges, like competition from imports, volatility in raw material prices due to Geopolitical uncertainties, including ongoing conflicts in the Middle East region, and the need for capacity modernisation and efficiency improvements. Addressing these factors will be critical for sustaining growth momentum.

Overall, the industry outlook remains positive, underpinned by favourable demand dynamics, policy support, and technological progress, while requiring careful navigation of cost and competitive pressures.

RISKS & CONCERNS

Uncertainty and risk are embedded in the nature of any business. The Indian paper industry struggles with fluctuations in raw material costs, rising imports, technological obsolescence, supply chain issues, and stringent environmental norms.

The Company's Management Team periodically analyzes the potential risks to the Company and the ways to mitigate or minimize the same.

INTERNAL CONTROL SYSTEMS & ADEQUACY

The Company has adequate internal control systems commensurate with the nature and size of its operations. All operating parameters are monitored and controlled periodically. The Audit Committee of its Board of Directors, majorly comprising of Independent Directors, also reviews the systems at regular intervals. Moreover, the Company has appointed M/s Lodha & Co. LLP, Chartered Accountants, as its Internal Auditors and they periodically test the efficacy of the internal control systems.

Also, the Statutory Auditors, M/s Price Waterhouse Chartered Accountants LLP, have evaluated and given their opinion on the Internal Financial Control, as per the provisions of the Companies Act, 2013.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Throughout the year under review, the Company has achieved consistent growth in sales and profitability, driven by heightened operational efficiencies. This success was brought about through better utilization of available resources and proper execution of business strategies. The Company continued the implementation of 'Operational Excellence (OPEX) Programme' which also contributes to the bottom line.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

The Company recognizes its human capital as a core competitive advantage and the primary engine of our growth. We have strategically fostered a high-performance culture that combines the fresh perspectives of our younger talent with the deep industry expertise of our senior mentors. This multi-generational synergy has created a versatile workforce equipped to identify and capture emerging market opportunities.

Our commitment to a stable and productive work environment is reflected in our industrial relations, which continue to remain healthy and collaborative. By prioritizing open dialogue and mutual respect, we have ensured a harmonious workplace that supports long-term organizational stability and operational continuity.

There were 136 permanent employees on the rolls of the Company as on 31st March, 2026.

SIGNIFICANT CHANGES (25% OR MORE) IN KEY FINANCIAL RATIOS AND CHANGE IN RETURN ON NET WORTH

In all specified key financial ratios, the change over previous year is less than 25% and not significant.

Further, as compared to previous year's 'Return on Net Worth' of 10.37%, this year's 'Return on Net Worth' is 9.78%, representing a decrease of 5.67% in 'Return on Net Worth'. This is primarily due to increase in absolute value of net-worth for the year under review.

CERTIFICATIONS

The Company is conscious of protecting the environment and has initiated various eco-friendly practices including rainwater-harvesting system and installation of solar photovoltaic power plant. It is our continuous effort to keep the premises and surroundings clean and green. The Company is continuing with the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications by TUV having validity until 2027.

CAUTIONARY STATEMENT

Statements in the foregoing paragraphs of this report describing the current industry structure, outlook, opportunities etc. reflect the estimation and opinion of the Company. The same are based on certain assumptions and expectations of future events. The actual results may substantially diverge from the same as they depend upon the global political, economic and social situation. Further, change in Government regulations, environmental laws, tax structure, cyclical demand, demand & supply conditions, cost of raw materials & their availability and other related factors such as litigation, Industrial relations and other unforeseen events can also have a bearing on the above statements. The Company assumes no responsibility in respect of forward looking statement made herein which may undergo changes in future on the basis of subsequent developments, information or events.

INDEPENDENT AUDITOR'S REPORT

To the Members of Voith Paper Fabrics India Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Voith Paper Fabrics India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the 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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further describedZ in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition relating to sale of products (Refer Notes 2(ix) and 23 to the financial statements) The Company recognises revenue from sale of products at a point in time in accordance with Ind AS 115 "Revenue from Contracts with Customers" when the control of the goods is transferred to the customer and there remains no unfulfilled performance obligation. Revenue is measured at the transaction price net of discounts and returns. We have identified recognition of revenue as a key audit matter due to the significant risk of material misstatement as revenue is a key performance indicator, and the risk of determination of timing of transfer of control for recognition of revenue in accordance with the terms of customer contracts in the correct period.	Our procedures performed included the following: • Obtained an understanding of the business process, evaluated the design and implementation of key controls in relation to revenue recognition and tested the operating effectiveness of such controls. • Evaluated the Company's accounting policy for revenue recognition in accordance with the applicable accounting standards. • Performed testing by selecting samples of revenue transactions recorded during the year and after the year end. For selected samples, verified the underlying evidence including customer contracts, invoices and transportation/ dispatch documents to assess revenue recognition in the correct accounting period. • Tested, on a sample basis, journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions. • Evaluated adequacy of disclosures for revenue made in the financial statements, as required by the relevant accounting standards.

Other information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

7. In preparing the financial statements, 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

14. The financial statements of the Company for the year ended March 31, 2025, were audited by prior auditors under the Act who, vide their report dated May 22, 2025, expressed an unmodified opinion on those financial statements.

Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
    (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.
    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 21 and 40 to the financial statements.

ii. The Company was not required to recognise a provision as at March 31, 2026 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any long-term derivative contracts as at March 31, 2026.

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

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 49(ii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 49(iii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid by the Company during the year in respect of the prior year ended March 31, 2025 is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend until the date of this audit report. As stated in Note 38(b) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting, and is in accordance with Section 123 of the Act, to the extent applicable.

vi. Based on our examination, the Company has used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and that has operated for the year for all relevant transactions recorded in the software. During the course of performing our procedures, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

17. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rajiv Goyal
Partner
Membership Number: 094549
UDIN: 26094549QJRGVD5905

Place: New Delhi
Date: May 20, 2026

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Voith Paper Fabrics India Limited on the financial statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Voith Paper Fabrics India Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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 Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 was 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 system 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to 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 system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rajiv Goyal
Partner
Membership Number: 094549
UDIN: 26094549QJRGVD5905

Place: New Delhi
Date: May 20, 2026

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Voith Paper Fabrics India Limited on the financial statements for the year ended March 31, 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

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

(B) The Company did not have any intangible assets during the year and, accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The property, plant and equipment of the Company are physically verified by the Management every alternate year which, having regard to the size of the Company and the nature of its assets, in our opinion, is considered reasonable. Pursuant to the Company's policy, no physical verification was carried out by the Management during the year and, accordingly, the question of our commenting on material discrepancies, if any, arising from physical verification of property, plant and equipment during the year, does not arise.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3(a) and 3(b) to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (In INR million)	Held in the name of	Whether held by promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold Land, Faridabad	1.81	Porritts & Spencer (Asia) Limited	No	July 1969	The title deed of freehold land is in the name of Porritts & Spencer (Asia) Limited which is erstwhile name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a registered valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including right of use assets) or intangible assets does not arise.

(e) No proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements, does not arise.

ii. (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, the goods have been received wherever applicable, subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/ alternate procedures performed as applicable, when compared with the books of account.

(b) During the year, the Company has not been sanctioned working capital limits in excess of INR 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and, accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has granted unsecured loans to 5 employees. The Company has not made any investments, granted secured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to unsecured loans are as per the table given below:

	Loans (Amount in INR million)
Aggregate amount granted/ provided during the year - Others (Employees)	 1.66
Balance outstanding as at balance sheet date in respect of the above cases - Others (Employees)	 0.66

(Also, refer Note 13 to the financial statements)

(b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) The Company has granted interest-free loans to its employees and, accordingly, the question of our commenting on regularity of payment of interest does not arise. However, in respect of such loans where the schedule of repayment of principal has been stipulated, the employees are repaying the principal amounts as stipulated.

(d) In respect of the loans, there are no amounts which are overdue for more than ninety days.

(e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) There were no loans/ advances in nature of loans which were granted during the year, including to promoters/ related parties that were repayable on demand or without specifying any terms or period of repayment.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products and services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues, including income tax, provident fund, employees' state insurance, duty of customs, cess, goods and services tax and other statutory dues, as applicable, with the appropriate authorities. Also, refer Note 40(e) to the financial statements regarding management's assessment on certain matters relating to provident fund. However, there are no arrears of statutory dues outstanding as at balance sheet date, for a period of more than six months from the date they became payable.

(b) There are no statutory dues of provident fund, employees' state insurance, duty of customs, cess, goods and services tax and other statutory dues which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (In INR million)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income tax	30.81	AY 2023-2024	Dispute Resolution Panel

(viii) There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

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

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

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, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

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

(b) The internal audit system of the Company is designed to carry out internal audits covering a period of 12 months from January to December. Accordingly, we have considered the internal audit reports available up to the period ended on December 31, 2025, and no internal audit reports have been issued for the period subsequent to that date.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the director(s). Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group [as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025] does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and, accordingly, the reporting under clause 3(xviii) of the Order is not applicable.

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

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order relates to audit of Consolidated Financial Statements, which is not applicable to the Company. Accordingly, no comment in respect of this clause has been included.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rajiv Goyal
Partner
Membership Number: 094549
UDIN: 26094549QJRGVD5905

Place: New Delhi
Date: May 20, 2026

BALANCE SHEET AS AT MARCH 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	1,214.69	1,133.71
Right-of-use assets	4	1.85	2.59
Capital work-in-progress	3 (a)	15.59	129.43
Investment properties	3 (b)	124.38	126.90
Financial assets			
i. Other financial assets	5	7.61	7.32
Non-current tax assets (net)	6	28.65	27.64
Other non-current assets	7	39.61	8.24
Total non-current assets		1,432.38	1,435.83
Current assets			
Inventories	8	466.54	372.56
Financial assets			
i. Trade receivables	9	328.02	328.10
ii. Cash and cash equivalents	10	102.40	146.65
iii. Bank balances other than (ii) above	11	2,334.79	1,954.70
iv. Other financial assets	12	0.65	1.15
Other current assets	13	51.69	33.14
Total current assets		3,284.09	2,836.30
Total assets		4,716.47	4,272.13
Equity and liabilities			
Equity			
Equity share capital	14	43.93	43.93
Other equity	15	4,193.13	3,802.80
Total equity		4,237.06	3,846.73
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	4	1.38	2.01
ii. Other financial liabilities	19	7.46	1.42
Provisions	16	106.75	51.38
Deferred tax liabilities (net)	17	7.15	16.40
Total non-current liabilities		122.74	71.21
Current liabilities			
Financial liabilities			
i. Lease liabilities	4	0.70	0.77
ii. Trade payables	18		
a) total outstanding dues of micro enterprises and small enterprises		9.61	6.93
b) total outstanding dues other than (ii)(a) above		212.62	162.08
iii. Other financial liabilities	19	53.73	119.48
Other current liabilities	20	27.74	31.45
Provisions	21	42.62	31.13
Current tax liabilities (net)	22	9.65	2.35
Total current liabilities		356.67	354.19
Total liabilities		479.41	425.40
Total equity and liabilities		4,716.47	4,272.13

Material accounting policies	2		
Notes to the financial statements	3-50		

The above Balance Sheet should be read in conjunction with the accompanying notes forming part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rajiv Goyal
Partner
Membership No. : 094549

Place : New Delhi
Date : May 20, 2026

For and on behalf of the Board of Directors of
Voith Paper Fabrics India Limited

Martin Bassmann
Chairman
DIN : 10766607

Pallavi D. Gupta
Director
DIN : 06566637

R. Krishna Kumar
Managing Director
DIN : 05344619

Ravinder Nath
Director
DIN : 00062186

Ram Sewak Sharma
Director
DIN : 02166194

Kalyan Dasgupta
Finance Controller
CMA No. : 25152

Deepti Gupta
Director
DIN : 08481203

Deepak Behl
Company Secretary
ACS No. : 40924

Place : New Delhi
Date : May 20, 2026

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Revenue from operations	23	2,089.49	1,902.27
II	Other income	24	191.45	163.96
III	**Total income**		2,280.94	2,066.23
IV	**Expenses**			
	Cost of materials consumed	25	486.81	474.69
	Purchase of stock-in-trade	26	201.68	170.27
	Changes in inventories of work-in-progress, stock-in-trade and finished goods	27	(41.16)	(26.80)
	Employee benefits expense	28	288.79	252.51
	Depreciation expense	29	149.70	131.38
	Finance costs	30	0.24	1.21
	Other expenses	31	591.53	525.71
	Total expenses		1,677.59	1,528.97
V	**Profit before exceptional items and tax (III - IV)**		603.35	537.26
VI	**Exceptional items**			
	Impact related to new labour codes	47	50.97	-
	Total exceptional expense		50.97	-
VII	**Profit before tax (V+VI)**		552.38	537.26
VIII	**Income tax expense**			
	(a) Current tax	33	153.79	135.08
	(b) Deferred tax	33	(15.90)	3.25
	Total tax expense		137.89	138.33
IX	**Profit for the year**		414.49	398.93
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	-Re-measurement of post employment benefit obligations	35	26.42	(1.35)
	-Income tax related to above	33	(6.65)	0.34
	Other comprehensive income for the year, net of tax		19.77	(1.01)
XI	**Total comprehensive income for the year (IX+X)**		434.26	397.92
	Earnings per equity share of Rs. 10 each attributable to owners of Voith Paper Fabrics India Limited			
	(1) Basic earnings per share (In Rs.)	45	94.36	90.87
	(2) Diluted earnings per share (In Rs.)	45	94.36	90.87
	Material accounting policies	2		
	Notes to the financial statements	3-50		

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes forming part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rajiv Goyal
Partner
Membership No. : 094549

Place : New Delhi
Date : May 20, 2026

For and on behalf of the Board of Directors of Voith Paper Fabrics India Limited

Martin Bassmann
Chairman
DIN : 10766607

Pallavi D. Gupta
Director
DIN : 06566637

R. Krishna Kumar
Managing Director
DIN : 05344619

Ravinder Nath
Director
DIN : 00062186

Ram Sewak Sharma
Director
DIN : 02166194

Kalyan Dasgupta
Finance Controller
CMA No. : 25152

Deepti Gupta
Director
DIN : 08481203

Deepak Behl
Company Secretary
ACS No. : 40924

Place : New Delhi
Date : May 20, 2026

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	552.38	537.26
Adjustments for :		
Depreciation expense	149.70	131.38
(Gain)/ loss on disposal of property, plant and equipment	(1.52)	0.21
Rental income	(31.37)	(9.69)
Unwinding of discount on security deposits	0.13	0.07
Provision/liabilities no longer required written back	(3.93)	-
Provision for doubtful debts on trade receivables	1.91	1.57
Allowances for doubtful deposits charged / (written back)	0.95	(0.12)
Bad debts written off	0.19	0.46
Finance costs	0.24	1.21
Unrealised foreign exchange fluctuation	0.66	(2.26)
Mark to market (gain)/ loss on foreign exchange forward contracts	(0.26)	0.02
Interest income on bank deposits	(144.28)	(147.25)
Interest income on income tax refund	(1.04)	-
Operating cash flows before working capital changes	523.76	512.86
Working capital changes in operating assets and liabilities		
(Increase) in trade receivables	(1.21)	(76.51)
(Increase) in other financial assets	(0.48)	(0.55)
(Increase) / Decrease in other assets	(18.55)	25.19
(Increase) in inventories	(93.98)	(24.91)
Increase / (Decrease) in trade payables	55.82	(12.07)
Increase in other financial liabilities	12.28	5.78
(Decrease) / Increase in other liabilities	(3.71)	4.38
Increase in provisions	93.28	8.83
Cash generated from operating activities	567.21	443.00
Income taxes paid (net of refunds)	(147.50)	(135.96)
Net cash generated from operating activities (A)	419.71	307.04
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment (including capital work-in- progress)	(215.86)	(262.57)
Payments for investment property	(1.91)	(115.39)
Proceeds from sale of property, plant and equipment	2.37	0.03
Interest income on bank deposits	160.23	143.43
Rental income	31.37	9.69
Redemption of bank deposits	2,255.00	1,930.00
Investment in bank deposits	(2,650.00)	(1,985.00)
Net cash used in investing activities (B)	(418.80)	(279.81)
Cash flows from financing activities		
Dividend paid	(43.98)	(35.14)
Interest paid on lease liabilities	(0.24)	(0.31)
Other finance cost paid	-	(0.90)
Payment of lease liabilities	(0.94)	(0.82)
Net cash used in financing activities (C)	(45.16)	(37.17)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net decrease in cash and cash equivalents (A+B+C)	(44.25)	(9.94)
Add : Cash and cash equivalents at the beginning of the year	146.65	156.59
Cash and cash equivalents at the end of the year	102.40	146.65

Particulars	As at March 31, 2026	As at March 31, 2025
Components of cash and cash equivalents (refer to note 10)		
Balances with banks:		
-in current accounts	64.06	56.92
-in EEFC account	8.32	1.16
- in deposit accounts with original maturity upto three months	30.02	88.57
Total cash and cash equivalents	102.40	146.65

The Statement of Cash Flows has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 'Statement of Cash Flows'.

Material accounting policies	**2**
Notes to the financial statements	**3-50**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes forming part of these financial statements.

This is the Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rajiv Goyal
Partner
Membership No. : 094549

Place : New Delhi
Date : May 20, 2026

For and on behalf of the Board of Directors of
Voith Paper Fabrics India Limited

Martin Bassmann
Chairman
DIN : 10766607

Pallavi D. Gupta
Director
DIN : 06566637

R. Krishna Kumar
Managing Director
DIN : 05344619

Ravinder Nath
Director
DIN : 00062186

Ram Sewak Sharma
Director
DIN : 02166194

Kalyan Dasgupta
Finance Controller
CMA No. : 25152

Deepti Gupta
Director
DIN : 08481203

Deepak Behl
Company Secretary
ACS No. : 40924

Place : New Delhi
Date : May 20, 2026

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

A Equity share capital

	Number of shares	Amount
Balance as at April 1, 2024	43,92,559	43.93
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	43,92,559	43.93
Balance as at April 1, 2025	43,92,559	43.93
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	43,92,559	43.93

B Other equity

Particulars	General reserve	Retained earnings	Remeasurement of defined benefit obligation/ (assets)	Total
Balance as at April 1, 2025	577.53	3,227.55	(2.28)	3,802.80
Profit for the year	-	414.49	-	414.49
Other comprehensive income for the year, net of tax	-	-	19.77	19.77
Total comprehensive income	-	414.49	19.77	434.26
Transactions with owners of the Company				
Final dividend	-	(43.93)	-	(43.93)
Balance as at March 31, 2026	577.53	3,598.11	17.49	4,193.13
Balance as at April 1, 2024	577.53	2,863.76	(1.27)	3,440.02
Profit for the year	-	398.93	-	398.93
Other comprehensive income for the year, net of tax	-	-	(1.01)	(1.01)
Total comprehensive income	-	398.93	(1.01)	397.92
Transactions with owners of the Company				
Final dividend	-	(35.14)	-	(35.14)
Balance as at March 31, 2025	577.53	3,227.55	(2.28)	3,802.80

Refer to note 15 for nature and purpose of other equity.

Material accounting policies **2**
Notes to the financial statements **3-50**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes forming part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rajiv Goyal
Partner
Membership No. : 094549

Place : New Delhi
Date : May 20, 2026

For and on behalf of the Board of Directors of
Voith Paper Fabrics India Limited

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Deepak Behl
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ACS No. : 40924

Place : New Delhi
Date : May 20, 2026

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

1A Corporate information

Voith Paper Fabrics India Limited ('the Company') is a public limited company domiciled in India and with its registered office at Plot No. 113/114 - A, Sector - 24, Faridabad - 121005, Haryana, India incorporated under the provisions of Indian Companies Act, 1956 and its equity shares are listed on Bombay Stock Exchange in India. The Company is a subsidiary of VP Auslandsbeteiligungen GmbH which holds 74.04% paid up equity share capital of the Company and the ultimate holding Company is JMV SE & Co. KG. The Company is primarily involved in the business of manufacturing and trading of paper machine clothing for pulp, paper and board industry.

The financial statements were approved by the Board of Directors of the Company and authorized for issue on May 20, 2026.

2B Basis of preparation

a. Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company has consistently applied the accounting policies used in the preparation of its financial statements for all periods presented. There have been no changes in accounting policies during the year.

b. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) - measured at fair value, and
- defined benefit plans (plan assets) - measured at fair value.

c. Functional currency and rounding off

The financial statements are presented in INR, which is the functional currency and all values are rounded to the nearest million (INR 1,000,000), except where otherwise indicated.

d. Current versus non-current classification

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

e. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 1 April 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to: i. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. 1 April 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

ii. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. 1 April 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

iii. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

2 Material accounting policies

i. Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of assets estimated by the management, taking into account the nature of the asset on technical evaluation of the useful life, which may not necessarily be in alignment with the indicative useful lives prescribed by Schedule II to the Companies Act, 2013. The following useful lives are considered:

Asset category	Estimated useful life (in years)	Useful life as per Schedule II to the Companies Act, 2013 (Years)
Buildings	10-30	10-30
Computer equipment	3-6	3-6
Office equipment's	5-15	5
Furniture and fixtures	4-10	10
Plant and machinery	5-15	5-15
Vehicles	10	10

Freehold land is not depreciated.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realizable value and are disclosed separately in the financial statements. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.
Capital work-in-progress includes the cost of property, plant and equipment that are not ready for intended use at balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "other non-current assets".

ii. Investment properties

a. Recognition and measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost, including related transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

b. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

c. Depreciation

Based on technical evaluation and consequent advice, the management believes a period of 30 years as representing the best estimate of the period over which investment property (which is quite similar) is expected to be used. Accordingly, the Company depreciates investment property over a period of 30 years on a straight-line basis. Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready or use/ (disposed off).

d. Reclassification from / to investment property

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

e. Fair value disclosure

Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and is a registered valuer.

iii. Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the Statement of Profit and Loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or recognised if no impairment loss had been recognized.

iv. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the balance sheet date.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value.

v. Financial instruments

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments.

Initial recognition and measurement

On initial recognition, financial assets are recognised at fair value except trade receivables which are recognized at transaction price which do not contain a significant financing component. In case of financial assets which are recognised at fair value through profit or loss (FVTPL), its transaction costs are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are added to the acquisition value of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the below categories:

(a) Financial assets at amortised cost;

(b) Financial assets including derivatives at fair value through profit or loss (FVTPL); and

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

For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value, due to the short maturity of these instruments.

a. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business where the objective is to hold these assets 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

b. Financial assets including derivatives at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business where the 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.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Derecognition

A financial asset is primarily derecognised when:

(a) the right to receive cash flows from the asset has expired, or

(b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognition and measurement of impairment losses on the following financial assets and credit risk exposures:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI.

c) Lease receivables under Ind AS 116.

d) Trade receivables, contract assets or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The impairment methodology applied depends on whether there has been a material increase in credit risk. The estimated impairment losses are recognised in a separate provision for impairment, and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in the provision for impairment, and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivables, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivables, and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Impairment of non-financial assets

The Company assesses at Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or cash generating unit.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL), payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

On initial recognition, financial liabilities are recognised at fair value. In case of financial liabilities which are recognised at fair value through profit or loss (FVTPL), its transaction costs are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are added to the acquisition or issue of the financial liabilities.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

All financial liabilities are measured at amortised cost using EIR method.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value, due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

vi. Inventories

Inventories are valued at lower of cost or net realisable value.

The methods of determining cost of various categories of inventories are as follows:

Type of inventory	**Valuation method**
Raw materials	Weighted average method
Stores and spares	First in first out (FIFO) method
Work-in-progress and finished goods (manufactured)	Weighted average method
Finished goods (traded)	Weighted average method

Cost includes expenditure incurred in acquiring inventories, production or conversion and other costs incurred in bringing the inventories to their present location and condition.

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.

In determining the cost, weighted average cost method is used except in stores and spares where FIFO is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on reasonable basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories in transit are valued at cost.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

vii. Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

viii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of receivable can be measured reliably.

Warranty provisions

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of products and is included in the Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

ix. Revenue recognition

Revenue earned from fulfilling a specific obligation in a contract is determined by the portion of the total agreed price that is assigned to that obligation, after subtracting any amounts that may vary, such as discounts or refunds.

i. Sale of products

Revenue from sale of products is recognized at the point in time when control of the goods is transferred to the customer at the time of shipment to or receipt of goods by the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue. Additionally amount disclosed as revenue are excluding taxes and net of return rebate, allowance etc.

The payment terms varies from customer to customer as per contract which includes advance payments and credit terms in upto 30 to 60 days, based on customary business practices.

ii. Sale of services

Revenue from sales of services primarily includes commission income. Revenue from providing services is recognised in the accounting period in which services are rendered.

Use of judgments in revenue recognition :-

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgments to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

iii. Other income

a) Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

b) Rental income is recognised on an accrual basis, in accordance with the terms of the respective contract as and when the Company satisfies performance obligations by delivering the services as per contractual agreed terms. Lease rentals are recognized on a straight-line basis over the lease term in accordance with Ind AS 116.

x. Retirement and other employee benefits

(i) Short-term employee benefits

All employee benefits falling due within twelve months from the end of the period in which employees render the related services are classified as short-term employee benefits, which includes benefits like salaries, wages, performance linked reward etc. and are recognised as expenses in the period in which the employee renders the related service and measured.

(ii) Post-employment benefits

Post employment benefits plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of the employment. The liability in respect of gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary at each balance sheet date using projected unit credit method. The gratuity liability of the Company is funded with Life Insurance Corporation of India, which is managed by separate trust set up the Company. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

b) Superannuation

Certain employees of the Company are also participants in the superannuation plan, a defined contribution plan. Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

c) Providend fund

The Company makes contribution to the recognised provident fund - VPFIL Employees Provident Fund Trust for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) Other long-term employee benefits

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to the future periods to either be utilised during the service, or encashed. Encashment can be made during service, or early retirement, on withdrawal of scheme, at resignation and upon death of employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised in the books of accounts based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

xi. Income tax

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effect of temporary differences) computed in accordance with the relevant provisions of the Income Tax Act, 1961. Current tax and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in OCI or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

The current tax payable is based on taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against those deductible temporary differences and can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or the expected value arrived by the Company, which provides a better prediction of the resolution of uncertainty. Uncertain tax positions are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration and judicial precedent.

xii. Segment reporting

The Company is mainly in the business of manufacturing and trading of paper machine clothing for pulp, paper and board industry. The Managing Director of the Company is identified as chief operating decision maker (CODM). The Company has a single reportable segment which is reviewed by Chief Operating Decision Maker (CODM).

xiii. Earnings per share

Basic earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xiv. Critical estimates and judgements

The preparation of 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

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. This note provides detailed information of the areas that involved 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.

The areas involving critical estimates or judgements are:

(i) Defined benefit plans

The cost of the defined benefit plan and the present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the estimations involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(ii) Useful life of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at Balance Sheet date. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iii) Provision for expected credit losses (ECL) on trade receivables

The Company uses a provision matrix to calculate ECL for trade receivables. The ECL provision matrix is based on the Company's historical observed default rates. The Company adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECL is sensitive to changes in circumstances and accordingly Company's actual default in the future may be different.

xv. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized since it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in financial statements.

xvi. Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, changes in working capital and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

xvii. Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly, disclosed in the financial statements.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

3 (a). Property, plant and equipment and capital work-in-progress

Particulars	Freehold Land (Refer to note 1) "	Buildings		Plant and machinery	Furniture and fixtures	Office equipment's (including Computers)	Vehicles	Sub-total (A)	Capital work-in-progress (B)	Total (A) + (B)
		Owned	Owned, given on lease							
Gross carrying amount										
Balance as at April 1, 2024	1.81	183.74	13.54	1,402.35	7.13	51.47	0.39	1,660.43	32.26	1,692.69
Add: Additions during the year	-	-	-	184.42	-	5.33	-	189.75	404.96	594.71
Less: Disposals/ transfers during the year	-	-	-	1.32	0.31	0.95	0.21	2.79	307.79	310.58
Less: Reclass to Investment properties	-	-	13.54	-	-	-	-	13.54	-	13.54
Balance as at March 31, 2025	1.81	183.74	-	1,585.45	6.82	55.85	0.18	1,833.85	129.43	1,963.28
Add: Additions during the year	-	3.36	-	217.10	0.62	5.28	-	226.36	114.43	340.79
Less: Disposals/ transfers during the year	-	-	-	2.14	0.96	0.17	0.18	3.45	228.27	231.72
Balance as at March 31, 2026	1.81	187.10	-	1,800.41	6.48	60.96	-	2,056.76	15.59	2,072.35
Accumulated depreciation										
Balance as at April 1, 2024	-	38.11	4.21	495.48	3.15	35.28	0.39	576.62	-	576.62
Add: Depreciation for the year	-	6.62	0.47	114.08	0.60	8.98	-	130.75	-	130.75
Less: Disposals during the year	-	-	-	1.09	0.30	0.95	0.21	2.55	-	2.55
Less: Reclass to Investment properties	-	-	4.68	-	-	-	-	4.68	-	4.68
Balance as at March 31, 2025	-	44.73	-	608.47	3.45	43.31	0.18	700.14	-	700.14
Add: Depreciation for the year	-	6.71	-	130.86	0.61	6.35	-	144.53	-	144.53
Less: Disposals during the year	-	-	-	1.31	0.94	0.17	0.18	2.60	-	2.60
Balance as at March 31, 2026	-	51.44	-	738.02	3.12	49.49	-	842.07	-	842.07
Net carrying amount										
Balance as at March 31, 2025	1.81	139.01	-	976.98	3.37	12.54	-	1,133.71	129.43	1,263.14
Balance as at March 31, 2026	1.81	135.66	-	1,062.39	3.36	11.47	-	1,214.69	15.59	1,230.28

Notes:

1. The title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) are held in the name of the Company:

Description of property	Gross carrying value as at March 31, 2026 (Rs. in million)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company, Also indicate if in dispute
Freehold Land, Faridabad	1.81	Porritts & Spencer (Asia) Limited	No	July 1969	The title deed of freehold land is in the name of Porritts & Spencer (Asia) Limited which is erstwhile name of the Company.

2. Refer to note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

a) Ageing of Capital work-in-progress as at March 31, 2026

	Amount in Capital work-in-progress for a period of				
Project name	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Project 1	-	15.32	-	-	15.32
Project 2	0.27	-	-	-	0.27
Projects temporarily suspended	-	-	-	-	-
Total	0.27	15.32	-	-	15.59

b) Completion schedule for capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

	To be completed in				
Project name	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Project 1	15.32	-	-	-	15.32
Projects temporarily suspended	-	-	-	-	-
Total	15.32	-	-	-	15.32

a) Ageing of Capital work-in-progress as at March 31, 2025:

	Amount in capital work-in-progress for				
Project name	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Project 1	15.88	-	-	-	15.88
Project 2	1.23	-	-	-	1.23
Project 3	2.66	-	-	-	2.66
Project 4	5.07	-	-	-	5.07
Project 5	5.14	-	-	-	5.14
Project 6	54.84	-	-	-	54.84
Project 7	15.32	-	-	-	15.32
Project 8	29.29	-	-	-	29.29
Projects temporarily suspended	-	-	-	-	-
Total	129.43	-	-	-	129.43

b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

	To be completed in				
Project name	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Project 2	1.23	-	-	-	1.23
Project 4	5.07	-	-	-	5.07
Project 5	5.14	-	-	-	5.14
Project 6	54.84	-	-	-	54.84
Project 8	29.29	-	-	-	29.29
		-	-	-	
Projects temporarily suspended	-	-	-	-	-
Total	95.57	-	-	-	95.57

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

3 (b). Investment properties*

Particulars	Building
Gross carrying amount	
Balance as at March 31, 2024	-
Add: Additions during the year	118.04
Add: Transfer from property, plant and equipment	13.54
Balance as at March 31, 2025	131.58
Additions during the year	1.91
Transfer from property, plant and equipment	-
Balance as at March 31, 2026	133.49
Accumulated depreciation	
Balance as at March 31, 2024	-
Add: Depreciation for the year	-
Add: Transfer from property, plant and equipment	4.68
Balance as at March 31, 2025	4.68
Add: Depreciation for the year	4.43
Add: Transfer to property, plant and equipment	-
Balance as at March 31, 2026	9.11
Net carrying amount	
Balance as at March 31, 2025	126.90
Balance as at March 31, 2026	124.38

*The land appurtenant to the building has not been reclassified as investment property, as its gross book value is not material.

Notes:

(i) Amounts recognised in the Statement of Profit and Loss in respect of the investment properties is as under:

Particulars	March 31, 2026	March 31, 2025
Rental income (Refer to note 24)	31.37	9.69
Direct operating expenses arising from investment properties that generated rental income during the year	-	-
Direct operating expenses arising from investment properties that did not generate rental income during the year	-	-
Profit arising from investment properties before depreciation and indirect expenses	31.37	9.69

(ii) The fair value of the investment property including land as on March 31, 2026 is Rs. 458.65 million (March 31, 2025 Rs. 461.17 million). The fair value has been determined on the basis of valuation carried out at the reporting date by the registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

A valuation model in accordance with Ind AS 113 has been applied. The valuation has been determined basis the market approach by reference to sales in the market of comparable properties. However, where such information is not available, current prices in an active market for properties of similar nature or recent prices of similar properties in less active markets, adjusted to reflect those differences, has been considered to determine the valuation. All resulting fair value estimates for investment properties are included in Level II. The registered valuer is independent of the Company and has relevant professional experience.

The Company has no restrictions on the realisability of its investment properties.

(iii) Rental income to be recieved for contract in hand for investment property

Particulars	March 31, 2026	March 31, 2025
Within 1 year	30.43	29.54
Betweeen 1 to 5 years	96.88	127.31
	127.31	156.85

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

4. Right-of-use assets

Particulars	Amount
Gross carrying amount	
Balance as at March 31, 2024	2.73
Add: Additions during the year	0.97
Less: Disposals/ adjustments during the year	-
Balance as at March 31, 2025	3.70
Add: Additions during the year	-
Less: Disposals/ adjustments during the year	-
Balance as at March 31, 2026	3.70
Accumulated depreciation	
Balance as at March 31, 2024	0.48
Depreciation for the year	0.63
Disposals	-
Balance as at March 31, 2025	1.11
Depreciation for the year	0.74
Disposals	-
Balance as at March 31, 2026	1.85
Net carrying amount	
Balance as at March 31, 2025	2.59
Balance as at March 31, 2026	1.85

Notes:

(a) The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on March 31, 2026 and March 31, 2025:

Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	0.94	0.94
Within one - two years	0.94	0.94
Within two - three years	0.31	0.94
Within three - five years	0.13	0.44
Total lease payments	2.32	3.26

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(b) The reconciliation of lease liabilities is as follows:

Balance as at April 1, 2024	2.32
Add: Additions	0.97
Add: Amounts recognized in statement of profit and loss as interest expense	0.31
Less: Payment of lease liabilities	(0.82)
Balance as at March 31, 2025	2.78
Add: Additions	-
Add: Amounts recognized in statement of profit and loss as interest expense	0.24
Less: Payment of lease liabilities	(0.94)
Balance as at March 31, 2026	2.08

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

(c) The break-up of current and non-current lease liabilities as at March 31, 2026 and March 31, 2025 is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	0.70	0.77
Non-current lease liabilities	1.38	2.01
Total	2.08	2.78

(d) Extension and termination options

Extension and termination options are included in a number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

(e) Reconciliation of movements of lease liabilities to cash flows arising from financing activities

Description	As at March 31, 2025	Financing cash flows	New finance lease	Finance cost expensed	As at March 31, 2026
Lease liabilities	2.78	(0.94)	-	0.24	2.08

Description	As at April 1, 2024	Financing cash flows	New finance lease	Finance cost expensed	As at March 31, 2025
Lease liabilities	2.32	(0.82)	0.97	0.31	2.78

5. Other non current financial assets

(unsecured considered good unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Security deposits	7.61	7.32
Less : Loss allowances for doubtful deposits	-	-
Total other non current financial assets	7.61	7.32

6. Non-current tax assets (net)

	As at March 31, 2026	As at March 31, 2025
Advance income tax (net of provision for tax Rs. 642.02 million; March 31, 2025 : 509.12 million)	28.65	27.64
Total other tax assets (net)	28.65	27.64

7. Other non-current assets

(unsecured considered good unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Capital advances	39.61	8.24
Total other non-current assets	39.61	8.24

8. Inventories

(valued at lower of cost and net realisable value)

	As at March 31, 2026	As at March 31, 2025
Raw materials (including goods in transit Rs. 60.20 million; March 31, 2025 : Rs. 50.18 million)	271.69	226.52
Work-in-progress	117.09	108.97
Finished goods	27.87	17.33
Stock-in-trade (goods in transit Rs. 7.16 million; March 31, 2025 : Rs. 16.03 million)	38.53	16.03
Stores and spares	11.36	3.71
Total inventories	466.54	372.56

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Amounts recognised in profit or loss

The write-down of inventories to net realisable value amounted to Rs. 24.46 million; (March 31, 2025 : Rs. 19.64 million). The reversal of write-downs during the year amounted to Rs. 11.07 million (March 31, 2025 : Rs. 17.16 million). The write-down and reversal are included in cost of materials or changes in inventories of finished goods and work-in-progress.

9 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Unsecured		
Trade receivables from contract with customers – billed**	329.84	330.13
Trade receivable - credit impaired	4.74	2.77
Gross trade receivables	334.58	332.90
Less: Loss allowance on trade receivables	(6.56)	(4.80)
Net trade receivables	328.02	328.10
Of the above, trade receivables from related parties are as below:		
Trade receivables due from related parties*	20.00	50.76
Less: Loss allowance on trade receivables	-	-
Net trade receivables	20.00	50.76

Ageing of trade receivable as at March 31, 2026:

	Outstanding for following periods from due date of payment							
Project name	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables								
Considered good	-	142.02	172.33	11.82	0.96	1.10	-	328.23
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	1.82	-	-	2.27	0.08	-	4.17
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	2.18	2.18
Total	-	143.84	172.33	11.82	3.23	1.18	2.18	334.58
Less: Loss allowance on trade receivables								(6.56)
Total								328.02

Ageing of trade receivable as at March 31, 2025:

	Outstanding for following periods from due date of payment							
Project name	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables								
Considered good	-	141.44	184.39	1.23	1.04	-	-	328.10
which have significant increase in credit risk	-	-	-	-				-
credit impaired	-	2.03	-	0.22	0.37	-	-	2.62
Disputed trade receivables								

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

	Outstanding for following periods from due date of payment							
Project name	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	2.18	2.18
Total	-	143.47	184.39	1.45	1.41	-	2.18	332.90
Less: Loss allowance on trade receivables								(4.80)
Total								328.10

* Refer to note 39 for related party balances.

** Refer to note 37 for the Company's exposure to currency and liquidity risks related to trade receivable.

The average credit period for sales of goods is 30 to 120 days. No interest is charged on the trade receivables for the amount overdue above the credit period.

10. Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Balances with banks		
- in current accounts	64.06	56.92
- in EEFC account	8.32	1.16
Deposits with original maturity of less than three months	30.02	88.57
Total cash and cash equivalents	102.40	146.65

11. Bank balances other than (ii) above

	As at March 31, 2026	As at March 31, 2025
Deposits with banks with original maturity of more than three months but less than 12 months*	2,333.05	1,952.91
Balances with banks in unpaid dividend accounts	1.74	1.79
Total other bank balances	2,334.79	1,954.70

* Includes interest accrued on bank deposits amounting to Rs. 53.05 million (March 31, 2025 : Rs. 67.91 million).

12. Other current financial assets

(unsecured considered good unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Security deposits	1.55	2.31
Less : loss allowances for doubtful deposits	(1.16)	(1.16)
	0.39	1.15
Mark-to-market on derivative contracts	0.26	-
Total other current financial assets	0.65	1.15

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

13. Other current assets

(unsecured considered good unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	6.77	5.77
Balances with government authorities		
- Unsecured and good	32.22	19.06
- Doubtful	1.16	0.20
Less : loss allowances for doubtful assets	(1.16)	(0.20)
	32.22	19.06
Advance to employees	0.66	1.14
Advance for supply of goods and services	2.35	4.74
Advance to VPFIL Employees Gratuity Fund*	5.80	-
Others	3.89	2.43
Total other current assets	51.69	33.14

* Refer to note 39 for related party balances.

14. Equity share capital

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital:				
Equity shares of Rs 10 each with voting rights	25,000,000	250.00	25,000,000	250.00
	25,000,000	250.00	25,000,000	250.00
Issued, subscribed and fully paid-up:				
Equity shares of Rs 10 each with voting rights	4,392,559	43.93	4,392,559	43.93
	4,392,559	43.93	4,392,559	43.93

a) Reconciliation of number of shares:

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Balance at the beginning of the year	4,392,559	43.93	4,392,559	43.93
Add: Issue of shares	-	-	-	-
Balance at the end of the year	4,392,559	43.93	4,392,559	43.93

b) Rights, preferences and restrictions attached to equity shares:

The company has only one class of shares referred to as equity shares having par value of Rs. 10 each. Each shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

c) Details of shares held by the holding company and its subsidiary:

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each held by -				
VP Auslandsbeteiligungen GmbH, Germany	3,252,418	32.52	3,252,418	32.52
	3,252,418	32.52	3,252,418	32.52

d) Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs. 10 each held by -				
VP Auslandsbeteiligungen GmbH, Germany	3,252,418	74.04%	3,252,418	74.04%
	3,252,418	74.04%	3,252,418	74.04%

As per the records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownership of equity shares.

e) Details of promoters shareholding as at year end:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs. 10 each held by -				
VP Auslandsbeteiligungen GmbH, Germany	3,252,418	74.04%	3,252,418	74.04%
	3,252,418	74.04%	3,252,418	74.04%

For the year ended March 31, 2026

Promotor's Name and Class of Shares	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% change during the year
VP Auslandsbeteiligungen GmbH, Germany	3,252,418	-	3,252,418	74.04%	-

For the year ended March 31, 2025

Promotor's Name and Class of Shares	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% change during the year
VP Auslandsbeteiligungen GmbH, Germany	3,252,418	-	3,252,418	74.04%	-

f) There were no shares issued pursuant to contracts without payment being received in cash, by way of bonus issue and no shares were bought back in the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

15. Other equity

	As at March 31, 2026	As at March 31, 2025
Attributable to the owners of the Company:		
General reserves	577.53	577.53
Retained earnings	3,615.60	3,225.27
Total other equity	4,193.13	3,802.80

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
(a) General reserve		
Opening balance	577.53	577.53
Closing balance	577.53	577.53
(b) Retained earnings		
Opening balance	3,225.27	2,862.49
Profit for the year	414.49	398.93
Items of other comprehensive income recognised directly in retained earnings		
- Re-measurements loss of post-employment benefit obligation, net of tax	19.77	(1.01)
Final dividend paid	(43.93)	(35.14)
Closing balance	3,615.60	3,225.27

Nature and purpose of of reserves:

(a) General reserve : This is created by an appropriation from one component of other equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

(b) Retained earnings: This represents the cumulative profits of the Company and effects of re-measurement of post-employment benefit obligations. This can be utilised in accordance with the provisions of the Companies Act, 2013.

16. Provisions (Non-current)

	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits		
Provision for gratuity (Refer to note 35)	39.81	0.50
Provision for compensated absences (Refer to note 35)	63.51	47.38
Provision for other retirement benefits (Refer to note 35)	0.02	0.02
Provision for long service award (Refer to note 35)	3.41	3.48
Total provisions (Non-current)	106.75	51.38

17. Deferred tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Difference in property, plant and equipment as per books and income-tax law	55.84	46.80
Right-of-use assets	0.46	0.65
Total (I)	56.30	47.45
Deferred tax assets		
Provision for warranties and other payables	11.40	9.04
Provision for contigencies	1.80	1.80
Expenditure covered by Section 43B of the Income-tax Act, 1961	33.20	17.96
Provision for loss allowances for doubtful debts and advances	2.23	1.55
Lease liabilities	0.52	0.70
Total (II)	49.15	31.05
Net deferred tax liability (I)-(II)	7.15	16.40

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Movement in deferred tax:

Particulars	As at April 1, 2025	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2026
Deferred tax liabilities:				
Difference in property, plant and equipment as per books and income-tax law	(46.80)	(9.04)	-	(55.84)
Right-of-use assets	(0.65)	0.19	-	(0.46)
Deferred tax assets:				
Provision for warranties and other payables	9.04	2.36	-	11.40
Provision for contigencies	1.80	-	-	1.80
Expenditure covered by section 43B of the Income-tax Act, 1961	17.96	8.59	6.65	33.20
Provision for loss allowances for doubtful debts and advances	1.55	0.68	-	2.23
Lease liability	0.70	(0.18)	-	0.52
Deferred tax liability (net)	(16.40)	2.60	6.65	(7.15)

Particulars	As at April 1, 2025	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2026
Deferred tax liabilities:				
Difference in property, plant and equipment as per books and income-tax law	(39.83)	(6.97)	-	(46.80)
Right-of-use assets	(0.57)	(0.08)	-	(0.65)
Deferred tax assets:				
Provision for other retirement benefits	-	-	-	-
Provision for warranties and other payables	5.47	3.57	-	9.04
Provision for contigencies	1.80	-	-	1.80
Expenditure covered by section 43B of the Income-tax Act, 1961	17.12	0.50	0.34	17.96
Provision for loss allowances for doubtful debts and advances	1.94	(0.39)	-	1.55
Lease liabilities	0.58	0.12	-	0.70
Deferred tax liability (net)	(13.49)	(3.25)	0.34	(16.40)

18. Trade payables

	As at March 31, 2026	As at March 31, 2025
Current		
Trade payables*		
- total outstanding dues of micro enterprises and small enterprises	9.61	6.93
- total outstanding dues of creditors other than micro enterprises and small enterprises	212.62	162.08
Total trade payables	222.23	169.01

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Ageing of trade payables as at March 31, 2026:

	Outstanding for following periods from due date						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables:							
-Micro enterprises and small enterprises	2.90	6.44	0.20	-	0.08	-	9.61
-Others	9.91	125.45	77.19	-	0.07	-	212.62
Disputed trade payables:							
-Micro enterprises and small enterprises	-	-	-	-	-	-	-
-Others	-	-	-	-	-	-	-
Total	12.81	131.89	77.39	-	0.15	-	222.23

Ageing of trade payables as at March 31, 2025:

	Outstanding for following periods from due date						
Partculars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables:							
-Micro enterprises and small enterprises	-	5.81	1.04	0.08	-	-	6.93
-Others	23.95	97.49	39.80	0.09	0.42	0.33	162.08
Disputed trade payables:							
-Micro enterprises and small enterprises	-	-	-	-	-	-	-
-Others	-	-	-	-	-	-	-
Total	23.95	103.30	40.84	0.17	0.42	0.33	169.01

* Refer to note 34 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

* Refer to note 39 for related party balances

* Refer to note 37 for the Company's exposure to currency and liquidity risks related to trade payables.

19. Other financial liabilities

Current

	As at March 31, 2026	As at March 31, 2025
Unpaid/unclaimed dividend	1.74	1.79
Payables on purchase of property, plant and equipment*	7.59	79.56
Mark-to-market on derivative contracts	-	0.02
Employee benefits payables*	26.61	30.15
Security deposit received	0.79	0.60
Contract liabilities deferred revenue	1.20	1.07
Others*	15.80	6.29
Total other financial liabilities	53.73	119.48
Non-current	5.88	1.42
Security deposit received*	1.58	-
Security deposit deferred income*	7.46	1.42

* Refer to note 39 for related party balances.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

20. Other current liabilities

	As at March 31, 2026	As at March 31, 2025
Advances from customers	19.82	22.38
Statutory dues payables*	6.38	7.57
Others	1.54	1.50
Total other current liabilities	27.74	31.45

*Refer to note 39 for related party balances.

21. Provisions (Current)

	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits		
Provision for gratuity (Refer to note 35)	6.87	4.62
Provision for compensated absences (Refer to note 35)	12.64	5.89
Provision for other retirement benefits (Refer to note 35)#	-	-
Provision for long service award (Refer to note 35)	2.10	1.73
	21.61	12.24
Other provisions		
Provision for warranties (Refer to note 21(a))	13.87	11.75
Provision for contingencies (Refer to note 21(b))	7.14	7.14
	21.01	18.89
Total provisions (Current)	42.62	31.13

Amounts below rounding-off norms.

21(a) Provision for warranty represents costs associated with providing sales and support services which are accrued at the time of recognition of revenue and are expected to be utilized over a period of 1 year. Assumption used to calculate the provision for warranties were based on current actual sales and actual claims settlement based on the past trend for the last years. A summary of movement is as follows:

	As at March 31, 2026	As at March 31, 2025
At the commencement of the year	11.75	9.99
Provision made during the year	15.03	10.72
Provision utilised during the year	(12.91)	(8.96)
At the end of the year	13.87	11.75

21(b) Provision for contingencies primarily made for probable liabilities/claims arising out of the past period. These provisions are affected by uncertainties and management has made best estimate. A summary of movement is given below:

	As at March 31, 2026	As at March 31, 2025
At the commencement of the year	7.14	7.14
Provision made during the year	-	-
Provision utilised during the year	-	-
At the end of the year	7.14	7.14

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

22. Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Provision for taxation (net of advance tax Rs. 145.26 million (March 31, 2025 : Rs. 130.55 million)	9.65	2.35
Total	9.65	2.35

23. Revenue from operations

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contracts with customers		
Sale of products		
- manufactured	1,801.86	1,640.55
- traded goods	248.09	228.33
Total sale of goods (A)	2,049.95	1,868.88
Sale of services		
- services	2.56	0.62
- commission (refer to note 39)	14.54	14.36
Total sale of services (B)	17.10	14.98
Other operating revenues		
- scrap sales	17.80	14.83
- export incentive	4.64	3.58
Other operating revenues (C)	22.44	18.41
Total revenue from operations (A+B+C)	2,089.49	1,902.27

Disaggregation of revenue:

The table below presents disaggregated revenues from contracts with customers by geography and products and services. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(a) Geographical region*

	For the year ended March 31, 2026	For the year ended March 31, 2025
India	1,704.63	1,611.70
Outside India	384.86	290.57
Total	2,089.49	1,902.27

*Disclosure relating to revenues by geography has been made with respect to location of customers.

(b) Revenues from products and services *

	For the year ended March 31, 2026	For the year ended March 31, 2025
Products	2,049.95	1,868.88
Other services	17.10	14.98
Total	2,067.05	1,883.86

*Revenue from product comprises of revenue generated from sale of manufactured and traded goods. Revenue from services includes income from commission and other services.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

(c) Particulars

	For the year ended March 31, 2026	For the year ended March 31, 2025
Contracted price	2,056.27	1,876.22
Less: trade discounts and volume rebates	(6.32)	(7.34)
Sale of products	2,049.95	1,868.88

(d) Contract balances

	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract liabilities		
Advances from customers	19.82	22.38
Contract assets		
Trade receivables	328.02	328.10

(e) Timing of revenue recognition

	For the year ended March 31, 2026	For the year ended March 31, 2025
Products transferred at a point in time	2,089.49	1,902.27
Products and services transferred over time	-	-
Revenue from contracts with customers	2,089.49	1,902.27

24. Other income

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income at amortized cost:		
- interest on bank deposits	144.28	147.25
- interest on refund of income tax	1.04	-
Gain on disposal of property, plant and equipment (net)	1.52	-
Foreign exchange fluctuation gain (net)	4.82	2.42
Mark to market gain on derivative contracts (net)	0.26	-
Rental income (refer to note 39)	31.37	9.69
Miscellaneous income	4.23	3.99
Provision for doubtful advances written back (net)	-	0.23
Liabilities/provisions no longer required, written back	3.93	0.38
Total other income	191.45	163.96

25. Cost of materials consumed

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventory of raw materials at the beginning of the year	226.52	223.50
Add: purchases during the year	531.98	477.71
Less: inventory of raw materials at the end of the year	271.69	226.52
Total cost of materials consumed	486.81	474.69

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

26. Purchase of stock-in-trade

	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of stock-in-trade	201.68	170.27
Total purchase of stock-in-trade	201.68	170.27

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year		
Work-in-progress	117.09	108.97
Finished goods - Manufactured	27.87	17.33
Finished goods - Traded	38.53	16.03
	183.49	142.33
Inventories at the beginning of the year		
Work-in-progress	108.97	86.43
Finished goods - Manufactured	17.33	14.70
Finished goods - Traded	16.03	14.40
	142.33	115.53
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	(41.16)	(26.80)

28. Employee benefits expense

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	218.60	204.71
Contribution to provident and other funds (refer to note 35 a)	18.48	10.81
Contribution to super annuation fund (refer to note 35 a)	7.57	6.90
Expenses related to post-employment defined benefit plans (refer to note 35 b)	6.59	4.45
Expenses related to compensated absences	25.49	8.27
Other retirement benefit expenses*	-	-
Long service award	0.30	3.23
Staff welfare expenses	11.76	14.14
Total employee benefits expenses	288.79	252.51

*Amount below rounding off norms

29. Depreciation expense

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	148.96	130.75
Depreciation on right to use assets	0.74	0.63
Total depreciation	149.70	131.38

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

30. Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on lease liabilities	0.24	0.31
Other finance costs	-	0.90
Total Finance costs	0.24	1.21

31. Other expenses

		For the year ended March 31, 2026		For the year ended March 31, 2025
Consumption of stores and spares		102.83		83.00
Contract labour cost		88.47		89.66
Power and fuel		97.17		103.00
Freight and forwarding charges		5.41		4.33
Rates and taxes		4.05		4.08
Insurance		5.61		5.55
Repairs and maintenance				
- Plant and machinery		79.50		49.24
- Buildings		6.93		2.34
- Others		6.24		6.86
Sales commission		0.57		1.30
Travelling and conveyance		19.71		20.92
Communication expenses		18.20		16.27
Legal and professional fees		5.16		5.59
Directors' sitting fees (refer to note 39)		2.60		2.01
Payments to auditor (refer to note 32)		3.44		3.88
Warranties		15.04		10.72
Bad debts written off	0.34		3.18	
Less : Provision utilized	(0.15)	0.19	(2.72)	0.46
Provision for doubtful debts on trade receivables		1.91		1.57
Provision for doubtful advances		0.95		0.11
Advances written off	-		0.26	
Less : Provision utilized	-	-	0.26	-
Net loss on sale of property, plant and equipment		-		0.21
Mark to market loss on foreign exchange forward contracts (net)		-		0.02
Technical know-how fees (refer to note 39)		90.12		81.93
Advertising and sales promotion		0.57		0.65
Security charges		4.98		4.37
Expenditure on corporate social responsibility (refer to note 42)		9.84		8.89
Training and development charges		2.56		3.09
Miscellaneous expenses		19.48		15.66
Total Other expenses		591.53		525.71

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

32. Payment to auditors (excluding applicable taxes)

	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor:		
Statutory audit	2.10	2.08
Tax audit	0.20	0.20
Limited review of quarterly results*	0.91	0.94
In other capacity:		
Group audit	-	0.42
Reimbursement of expenses	0.23	0.24
Total payment to auditors	3.44	3.88

* Includes fee for previous auditor amounting to ₹0.31 million

33 Income Tax

The major components of income tax expense for the year ended March 31, 2026 and March 31, 2025 are:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Current income tax:		
Current income tax charge for the year	153.79	135.08
	153.79	135.08
Deferred tax:		
Deferred tax	(15.90)	3.25
	(15.90)	3.25
Income tax expense reported in the Statement of Profit and Loss	137.89	138.33
OCI		
Tax related to items that will not be classified to Profit and Loss	(6.65)	0.34
Income tax charged to OCI	(6.65)	0.34

Reconciliation between average effective tax rate and applicable tax rate for the year ended March 31, 2026 and March 31, 2025:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit before income tax	552.38	537.26
At India's statutory income tax rate applicable to the company @ 25.168%	139.02	135.23
- Income tax related to earlier years	(1.12)	2.18
- Effect of non-deductible expenses and exempt income	2.66	1.90
- Others	(2.67)	(0.98)
Income tax expense reported in the Statement of Profit and Loss	137.89	138.33

34 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act')

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act to the extent information is available with the Company are as follows:re:

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount remaining unpaid to any supplier as at the end of each accounting year*	6.71	7.45
The interest due on principal amount remaining unpaid to any supplier as at the end of each accounting year	0.14	1.03
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	5.05	-
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 year) but without adding the interest specified under Micro, Small and Medium Enterprises Development act, 2006	-	0.19
The amount of interest accrued and remaining unpaid at the end of the year	2.90	2.76
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
***Included in:**		
Trade payable:		
- total outstanding dues of micro enterprises and small enterprises	9.61	6.93
Capital creditors	-	0.52

35. Employee benefits in respect of the Company have been calculated as under:

(a) Defined contribution Plans (Refer to note 28)

The company has certain defined contribution plan such as provident fund (also refer accounting policy for provident fund), employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employer's contribution to provident fund	15.91	8.16
Employer's contribution to employees' pension scheme	1.86	1.85
Employer's contribution to superannuation fund	7.57	6.90
Employer's contribution to employee deposit linked insurance	0.38	0.44
Employer's contribution to employee state insurance	0.22	0.26
Employer's contribution to labour welfare fund	0.11	0.10

(b) Defined Benefit Plans

(i) Gratuity

(a) In accordance with Ind AS 19 “Employee Benefits”, an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.45% p.a. (March 31, 2025 : 6.70% p.a.) which is determined by reference to market yield at the balance sheet date on government bonds. The retirement age has been considered at 58 years (March 31, 2025 : 58 years).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (March 31, 2025 : 10% p.a.), taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return based on LIC statement on plan assets is 7.45% p.a. (March 31, 2025 : 6.70% p.a.).

Mortality rates are based on IALM (2012-14) Ultimate in both the years.

(b) Attrition Rate

	For the year ended March 31, 2026	For the year ended March 31, 2025
Withdrawal rate	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%

(c) Reconciliation of opening and closing balances of present value of defined benefit obligation:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of obligation at the beginning of the year	61.63	52.72
Current service cost	5.35	4.14
Past service cost	61.46	-
Interest cost	4.86	3.25
Benefits paid	(1.66)	(0.30)
Actuarial loss	(26.24)	1.82
Present value of obligation at the end of the year	105.40	61.63

(d) Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of obligation at the end of the year	105.40	61.63
Fair value of plan assets at the end of the year	(58.72)	(56.51)
Net liabilities recognised in the Balance Sheet	46.68	5.12

Fair value of plan assets:	For the year ended March 31, 2026	For the year ended March 31, 2025
Plan assets at the beginning of the year	56.51	46.28
Expected return on plan assets	3.62	2.94
Contribution by employer	0.07	7.11
Actual benefits paid	(1.66)	(0.30)
Actuarial (loss)/ gain	0.18	0.48
Plan assets at the end of the year	58.72	56.51

(e) Expense recognised in the Statement of Profit and Loss under employee benefits expenses:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	5.35	4.14
Past service cost	61.46	-
Interest cost	1.24	0.31
Expense recognised in the Statement of Profit and Loss	68.05	4.45

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

(f) Amount recognised in the other comprehensive income:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial loss/ (gain) due to financial assumption change	(25.42)	1.55
Actuarial loss due to experience adjustment	(0.82)	0.28
Actuarial loss on plan assets	(0.18)	(0.48)
Amount recognised in the Other Comprehensive Income	(26.42)	1.35

(g) Sensitivity analysis:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Assumption	Discount rate	Discount rate
Sensitivity level	1 % increase	1 % increase
Impact on defined benefit obligation	(7.24)	(4.90)
Sensitivity level	1 % decrease	1 % decrease
Impact on defined benefit obligation	8.32	5.71

(h) Sensitivity analysis:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Assumption	Future salary increase	Future salary increase
Sensitivity level	1 % increase	1 % increase
Impact on defined benefit obligation	(8.18)	(4.27)
Sensitivity level	1 % decrease	1 % decrease
Impact on defined benefit obligation	7.28	4.97

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these have not been calculated.

(i) Maturity profile of defined benefit obligation	For the year ended March 31, 2026	For the year ended March 31, 2025
Within the next 12 months (next annual reporting period)	14.68	9.59
Between 1 and 2 years	22.52	10.31
Between 2 and 5 years	10.93	5.04
Over 5 years	50.30	25.58
Total expected payments	98.43	50.52

(j) The Company expects to contribute Rs. 6.87 million (March 31, 2025: Rs. 4.63 million) to the plan during the next financial year.

(ii) Providend Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of Rs. 15.80 million (March 31, 2025 : Rs. 5.89 million) has been recognised as at March 31, 2026 to meet shortfall.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	7.45%	6.70%
Interest Rate Guarantee	8.25%	8.25%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 years	58 years
Withdrawal rate	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%
Historical Yield on assets	7.00%	7.75%
Average Expected Future Working life	14.20	14.48

The Company has contributed Rs. 6.00 million to provident fund for the year.

The breakup of plan assets into various categories as at March 31, 2026 and March 31, 2025 is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Central and state government bonds	44%	43%
Public sector undertakings and private sector bonds	35%	35%
Others	21%	22%

(c) Other long term benefits

(i) Compensated absences

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of obligation at the end of the year	76.15	53.27

<u>Assumptions</u>	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	7.45%	6.70%
Availment rate	2.50%	2.50%
Salary Increase	8.00%	10.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 years	58 years
Withdrawal rate	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%

(ii) Long service award

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of obligation at the end of the year	5.51	5.21

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Assumptions	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	7.45%	6.70%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 years	58 years
Withdrawal rate	Upto 30 years - 3% 31-45 years- 2% Above 46 years- 1%	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%

36. Fair value management

	Note	Level of hierarchy	March 31, 2026			March 31, 2025		
			FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets								
Trade receivables	(a)		-	-	328.02	-	-	328.10
Cash and cash equivalents	(a)		-	-	102.40	-	-	146.65
Bank balances other than cash and cash equivalents	(a)		-	-	2,334.79	-	-	1,954.70
Other financial assets	(a)	2	0.26	-	8.00	-	-	8.47
Total financial assets			0.26	-	2,773.21	-	-	2,437.92
Financial liabilities								
Trade payables	(a)		-	-	222.23	-	-	169.01
Lease liabilities	(a)		-	-	2.08	-	-	2.78
Other financial liabilities	(a)	2	-	-	61.19	0.02	-	120.88
Total financial liabilities			-	-	285.50	0.02	-	292.67

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) The fair value is determined by using the valuation model/technique with observable/ non-observable inputs and assumptions.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds) is determined using valuation techniques which maximize the use of observable market data and rely possibly on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between level 1 and level 2 during the years.

37. Financial risk management

(A) Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

The Company, through three layers of defence namely policies and procedures, review mechanism and assurance, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit committee of the board with top management oversees the formulation and implementation of the Risk Management Policies. The risks and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (i))

- liquidity risk (see (ii))

- market risk (see (iii))

- interest rate risk (see (iv))

- price risk (see (v))

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivable and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements and industry information etc.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, trade history with the Company and existence of previous financial difficulties. The Company creates specific provision, if required, for credit impaired customers.

Expected credit loss for trade receivable:

The Company based on internal assessment which is driven by the historical experience / current facts available in relation to defaults and delays in collection thereof, the credit risk for trade receivable is considered low except for impaired customers. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance (net of expected credit loss allowance), excluding receivable from group companies is Rs. 308.02 million (March 31, 2025 : Rs. 277.35 million).

Movement in the expected credit loss allowance of trade receivables are as follows:

Fair value of plan assets:	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	2.03	0.90
Add : Provided during the year (net of reversal)	(0.21)	1.13
Balance at the end of the year	1.82	2.03

The Company has also created specific provision of Rs. 4.74 million (March 31, 2025: Rs. 2.77 million) in respect of trade receivables where risk of inability to collect is high.

Expected credit loss on financial assets other than trade receivable:

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

ii. Liquidity risk

Liquidity risk is the risk that Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's finance department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed regularly by finance. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

The Company has sanctioned borrowing facilities, comprising, non-fund based limits from various bankers on unsecured basis.

Exposure to the liquidity risk

The following are remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

		Contractual cash flows		
March 31, 2026	Carrying amount	Total	Within one year	More than 1 year
Non-derivative financial liabilities				
Trade payables*	222.23	222.23	222.23	-
Other financial liabilities	61.19	61.19	53.73	7.46

		Contractual cash flows		
March 31, 2025	Carrying amount	Total	Within one year	More than 1 year
Non-derivative financial liabilities				
Trade payables	169.01	169.01	169.01	-
Other financial liabilities	120.90	120.90	119.48	1.42

*The Company uses foreign exchange forward contracts to hedge its foreign currency exposure (refer to note 43).

iii. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between currencies in which sales and purchases are denominated and the functional currency of the Company. The currencies which the Company is exposed to risk are USD, EUR, SEK, CAD, CNY, MYR, GBP, CHF, NOK and JPY.

The Company follows a policy to hedge its forex exosure by taking regular forward contracts to the extent possible. Any residual risk is evaluated, including but not limited to, entering into forward contract.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Gross exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company as follows:

	As at March 31, 2026								
	USD	EUR	SEK	CAD	CNY	MYR	GBP	CHF	NOK
Cash and cash equivalents	5.85	2.47	-	-	-	-	-	-	-
Trade receivables	13.91	0.72	-	-	-	-	-	-	-
Against open sales orders	140.05	38.15	-	15.10	6.04	2.64	-	-	-
Trade payables	(60.78)	(15.70)	(1.28)	-	(4.39)	-	(0.74)	(1.45)	-
Capital creditors	-	(5.16)	-	-	-	-	-	-	-
Against open purchase orders	(75.33)	(137.47)	-	-	(5.50)	-	(2.07)	-	(0.14)
Net statement of financial position exposure	23.70	(116.99)	(1.28)	15.10	(3.85)	2.64	(2.81)	(1.45)	(0.14)

	As at March 31, 2025						
	USD	EUR	SEK	CAD	CNY	MYR	JPY
Cash and cash equivalents	1.16	-	-	-	-	-	-
Trade receivables	51.04	1.55	-	-	-	-	-
Against open sales orders	36.32	25.32	-	4.70	9.20	0.05	-
Trade payables	(27.83)	(25.35)	(0.55)	-	-	-	-
Capital creditors	(0.20)	(62.91)	-	-	-	-	-
Other liabilities	-	(1.67)	-	-	-	-	-
Against open purchase orders	(113.84)	(64.17)	(3.76)	(1.09)	(6.30)	-	(1.47)
Net statement of financial position exposure	(53.35)	(127.23)	(4.31)	3.61	2.90	0.05	(1.47)

Sensitivity analysis

A reasonable possible strengthening (weakening) of the USD, EUR, SEK, CAD, CNY, MYR, GBP, CHF, NOK and JPY. against all other currencies at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact on forecast sales and purchases.

	Profit or Loss (before tax)	
	Strengthening	Weakening
March 31, 2026		
USD (1% movement)	0.24	(0.24)
EUR (1% movement)	(1.17)	1.17
SEK (1% movement)	(0.01)	0.01
CAD (1% movement)	0.15	(0.15)
CNY (1% movement)	(0.04)	0.04
MYR (1% movement)#	-	-
GBP (1% movement)	(0.03)	0.03
CHF (1% movement)	(0.01)	0.01
NOK (1% movement)#	-	-

Amount below rounding off norms

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

	Profit or Loss (before tax)	
	Strengthening	Weakening
March 31, 2025		
USD (1% movement)	(0.53)	0.53
EUR (1% movement)	(1.27)	1.27
SEK (1% movement)	(0.05)	0.05
CAD (1% movement)	0.04	(0.04)
CNY (1% movement)	0.03	(0.03)
JPY (1% movement)	(0.03)	0.03
MYR (1% movement)#	-	-

Amount below rounding off norms

iv. 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 fixed deposits.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	As at March 31, 2026	As at March 31, 2025
Fixed-rate instruments		
Financial assets - Bank deposits (refer to note 10 and 11)	2,363.07	2,041.48
	2,363.07	2,041.48

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity on bank deposits has not been disclosed as interest rate on such deposits is equivalent to market rate.

v. Price risk

Commodity price risks fluctuation in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to paper industries, whereby there is a regular process of negotiation /adjustment of prices on the basis of changes in commodity prices.

38. Capital management

(a) The primary objective of the Company's capital management is to safeguard its ability to continue as a going concern, maintain a strong credit rating, and uphold a healthy capital ratio to support business operations and enhance shareholder value. The Company actively manages its capital structure by making adjustments based on changes in economic conditions and business strategies, including issuing new shares and raising or repaying debt. During the year, the Company's capital management objectives, policies, and processes remained unchanged.

(b) **Dividends**

(i) After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting, the dividends have not been recognised as liabilities:

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend paid to equity shareholders for March 31, 2026 of Rs. 10 per fully paid equity share (March 31, 2025 of Rs. 10 per fully paid up equity share)	43.93	43.93

39. Related party disclosures

(A) Related parties

(a) List of related parties and nature of relationship where control exists:

i) Ultimate Holding Company

JMV SE & Co. KG, Germany

ii) Intermediate Holding Company

Voith GmbH & Co. KGaA, Germany

iii) Holding Company

VP Auslandsbeteiligungen GmbH, Germany

(b) Fellow subsidiaries with whom transactions have taken place:

Voith US Inc., U.S. | "VPFY"
Voith US Inc., U.S. | "VPFS"
J.M. Voith SE & Co. KG, Germany | "DSG"
Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia | "VPFI-SU"
Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia | "VPFI"
J M Voith SE & Co. KG, Germany | "VPEZ"
J M Voith SE & Co. KG, Germany | "VPEZ-DN"
Voith Paper Technology (India) Private Limited, India | "VPMP"
J M Voith SE & Co. KG, Germany | "VPH"
Voith Austria GmbH, Austria | "VPRW"
Voith Austria GmbH, Austria | "VPFF"
Voith Paper Fabrics Högsjö AB, Sweden | "VPHS"
Voith Paper Fabrics Waycross, LLC, USA | "VPFX"
PT. Voith Paper Rolls Indonesia, Indonesia | "VPRK"
Voith Paper (China) Co., Ltd., China | "VPFC"
Voith Austria GmbH, Austria | "VPRL"
Voith Paper Fabrics BV, Netherland | "VPHN"
Voith Digital Solutions India Private Ltd., India | "DSI"
Voith Meri Environmental Solutions, Inc., USA | "VPUM"
Voith Paper Fabrics S.A., Spain | "VPFG"
Voith Canada Inc., Canada | "VPFO"
Voith Paper (China) Co., Ltd. | "VPC"
Voith Paper Argentina S.A., Argentina | "VPBU"
Voith Paper Máquinas e Equipamentos Ltda., Brazil | "VPP"
Voith US Inc., U.S. | "VPFL"
Voith Paper Chile SpA, Chile | "VPCL"
Voith US Inc., U.S. | "VPFM"
PT. Voith Paper, Indonesia | "VPJA"

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

(c) Key Management Personnel

R. Krishna Kumar, Managing Director

Ravinder Nath, Independent Director

Surinder Kumar Nagpal, Independent Director (till March 1, 2025)

Ram Sewak Sharma, Independent Director (w.e.f. March 1, 2025)

Benno Edmund Morlock (till October 1, 2024)

Martin Bassmann, Director (w.e.f. October 1, 2024)

Deepti Gupta, Independent Director

Pallavi Dinodia Gupta, Independent Director

Kalyan Dasgupta, Financial Controller

C. S. Gugliani, Company Secretary (till December 02, 2025)

Deepak Behl, Company Secretary (w.e.f. December 03, 2025)

(d) Others:

VPFIL Employees Provident Fund Trust

VPFIL Employees Gratuity Fund

VPFIL Superannuation Fund

(B) Disclosure of transactions with related parties during the year and outstanding balances

(i) Transactions during the year

S.No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	**Transactions with Holding Company**		
	Payment of Dividend (Gross)	32.52	26.02
		32.52	26.02
2	**Transactions with Fellow Subsidiaries**		
i)	**Sale of products**		
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia | VPFI-SU	45.96	31.79
	J M Voith SE & Co. KG, Germany | "VPEZ"	75.81	79.77
	Voith Canada Inc., Canada | "VPFO"	32.72	1.68
	Voith US Inc., U.S. | "VPFS"	132.65	69.23
	Voith Paper Argentina S.A., Argentina | "VPBU"	4.58	6.72
	Voith Paper Chile SpA, Chile | "VPCL"	6.52	18.13
	J M Voith SE & Co. KG, Germany | "VPH"	0.63	0.57
	Voith Paper (China) Co., Ltd., China | "VPFC"	16.31	3.32
	Voith Meri Environmental Solutions, Inc., USA | "VPUM"	0.61	-
	Voith Paper Fabrics Waycross, LLC, USA | "VPFX"	0.07	14.25
	PT. Voith Paper, Indonesia | “VPJA”	-	0.17
	Voith Paper Technology (India) Private Limited, India | "VPMP"	8.62	-
	Voith Paper Máquinas e Equipamentos Ltda., Brazil | "VPP"	6.45	4.33
		330.93	229.96

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

		For the year ended March 31, 2026	For the year ended March 31, 2025
iii)	**Sale of services**		
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia | "VPFI-SU"	3.32	5.54
	Voith Austria GmbH, Austria | "VPRW"	3.58	1.92
	PT. Voith Paper Rolls Indonesia, Indonesia | "VPRK"	7.64	6.55
		14.54	14.36
iv)	**Rental income**		
	Voith Paper Technology (India) Private Limited, India | "VPMP"	31.37	9.69
		31.37	9.69
v)	**Purchase of materials & stores**		
	Voith Austria GmbH, Austria | "VPFF"	-	13.51
	Voith US Inc., U.S. | "VPFY"	86.89	58.71
	Voith Paper (China) Co., Ltd., China | "VPFC"	-	10.16
	Voith Austria GmbH, Austria | "VPRL"	0.46	-
	Voith US Inc., U.S. | "VPFM"	-	0.08
	Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia | "VPFI"	-	6.87
	Voith Paper Fabrics Waycross, LLC, USA | "VPFX"	-	0.03
		87.35	89.36
vi)	**Purchase of traded goods**		
	Voith Paper (China) Co., Ltd., China | "VPFC"	78.28	68.40
	Voith Austria GmbH, Austria | "VPFF"	11.50	25.48
	Voith Paper Fabrics BV, Netherland | "VPHN"	4.09	1.07
	J M Voith SE & Co. KG, Germany | "VPEZ"	0.19	-
	J M Voith SE & Co. KG, Germany | "VPEZ-DN"	2.08	2.04
	J M Voith SE & Co. KG, Germany | "VPH"	18.88	14.20
	Voith Paper Fabrics Högsjö AB, Sweden | "VPHS"	46.37	22.06
	Voith Paper (China) Co., Ltd. | "VPC"	-	3.94
	Voith Paper Fabrics S.A., Spain | "VPFG"	7.13	-
	Voith Paper (China) Co., Ltd. | "VPC"	11.06	-
	Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia | "VPFI"	24.11	29.63
		203.69	166.82
vii)	**Purchase of property, plant and equipment**		
	Voith Paper Fabrics Waycross, LLC, USA | "VPFX"	-	2.48
	Voith Austria GmbH, Austria | "VPFF"	0.15	2.66
	Voith Paper (China) Co., Ltd., China | "VPFC"	-	13.54
	Voith Austria GmbH, Austria | "VPRW"	-	0.41
		0.15	19.09
viii)	**Technical know-how fees**		
	J M Voith SE & Co. KG, Germany | "VPEZ"	90.12	81.93
		90.12	81.93
ix)	**Communication expenses**		
	J.M. Voith SE & Co. KG, Germany | "DSG"	17.15	14.82
	Voith Digital Solutions India Private Ltd., India | "DSI"	0.36	0.38
		17.51	15.20

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

		For the year ended March 31, 2026	For the year ended March 31, 2025
x)	**Reimbursement of expenses from related parties**		
	Voith Paper Technology (India) Private Limited, India | "VPMP"	7.17	6.21
	Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia | "VPFI"	3.09	0.24
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia | "VPFI-SU"	1.86	1.85
	J M Voith SE & Co. KG, Germany | "VPEZ"	0.05	-
	Voith Paper (China) Co., Ltd., China | "VPFC"	0.80	-
	J M Voith SE & Co. KG, Germany | "VPH"	0.09	0.02
	Voith Paper (China) Co., Ltd., China | "VPFC"	-	0.51
	Voith US Inc., U.S. | "VPFS"	0.05	0.42
	J M Voith SE & Co. KG, Germany | "VPEZ"	-	0.18
		13.11	9.43
xi)	**Reimbursement of expenses to related parties**		
	Voith Paper Technology (India) Private Limited, India | "VPMP"	4.32	7.73
	Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia | "VPFI"	0.03	0.02
	Voith Austria GmbH, Austria | "VPFF"	-	1.06
	Voith Paper Fabrics Högsjö AB, Sweden | "VPHS"	-	0.48
	Voith Paper Fabrics S.A., Spain | "VPFG"	-	0.10
	Voith US Inc., U.S. | "VPFY"	0.08	-
	J M Voith SE & Co. KG, Germany | "VPEZ"	0.49	1.26
	Voith US Inc., U.S. | "VPFS"	0.25	-
	Voith Paper (China) Co., Ltd., China | "VPFC"	0.03	0.19
	J M Voith SE & Co. KG, Germany | "VPH"	-	0.06
	Voith Digital Solutions India Private Ltd., India | "DSI"	-	0.07
		5.20	10.97
xii)	**Short term employee benefits**		
	R. Krishna Kumar	26.50	25.39
	Kalyan Dasgupta	9.05	8.48
	C.S. Gugliani	2.40	3.86
	Deepak Behl	0.79	-
		38.74	37.73
xiii)	**Post-employement benefits**		
	R. Krishna Kumar	10.39	0.62
	Kalyan Dasgupta	1.31	0.38
	C.S. Gugliani	1.23	0.20
		12.93	1.20
xiv)	**Other long term benefits**		
	R. Krishna Kumar	4.22	0.44
	Kalyan Dasgupta	0.80	0.39
	C.S. Gugliani	0.74	0.09
	Deepak Behl	0.06	-
		5.82	0.92

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

		For the year ended March 31, 2026	For the year ended March 31, 2025
xv)	**Reimbursement of expenses to related parties**		
	R. Krishna Kumar	0.54	0.61
	Deepak Behl	-	-
	C.S. Gugliani	-	0.05
		0.54	0.66
xvi)	**Contribution to the funds**		
	VPFIL Employees' Provident Fund Trust	15.91	8.15
	VPFIL Employees Gratuity Fund	0.07	7.10
	VPFIL Superannuation Fund	7.57	6.90
		23.55	22.15
xvii)	**Directors' sitting fees**		
	Ravinder Nath	0.50	0.45
	Surinder Kumar Nagpal	-	0.57
	Ram Sewak Sharma	0.50	-
	Pallavi Dinodia Gupta	0.70	0.35
	Deepti Gupta	0.90	0.64
		2.60	2.01

(ii) Outstanding as at year end:

		For the year ended March 31, 2026	For the year ended March 31, 2025
1	**Amount Outstanding - Fellow Subsidiaries**		
i)	**Trade receivables**		
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia | "VPFI-SU"	5.89	3.73
	J M Voith SE & Co. KG, Germany | "VPEZ"	0.22	-
	Voith US Inc., U.S. | "VPFS"	0.05	22.23
	Voith US Inc., U.S. | "VPFL"	-	2.60
	Voith Paper Technology (India) Private Limited, India | "VPMP"	5.37	4.34
	Voith Austria GmbH, Austria | "VPRW"	0.20	0.31
	Voith Paper Chile SpA, Chile | "VPCL"	-	0.23
	Voith Paper Máquinas e Equipamentos Ltda., Brazil | "VPP"	3.71	1.91
	Voith Paper (China) Co., Ltd., China | "VPFC"	3.13	-
	Voith Paper Fabrics Waycross, LLC, USA | "VPFX"	-	13.93
	Voith Meri Environmental Solutions, Inc., USA | "VPUM"	0.64	-
	PT. Voith Paper, Indonesia | "VPJA"	-	0.14
	PT. Voith Paper Rolls Indonesia, Indonesia | "VPRK"	0.79	1.34
		20.00	50.76
ii)	**Trade payables**		
	Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia | "VPFI"	3.91	3.30
	Voith Paper (China) Co., Ltd., China | "VPFC"	8.05	2.36
	J.M. Voith SE & Co. KG, Germany | "DSG"	1.35	1.15

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

		For the year ended March 31, 2026	For the year ended March 31, 2025
	Voith Digital Solutions India Private Ltd., India | "DSI"	0.03	0.03
	Voith Paper Fabrics Högsjö AB, Sweden | "VPHS"	17.08	-
	Voith Paper Technology (India) Private Limited, India | "VPMP"	0.47	1.12
	Voith Paper Fabrics BV, Netherland | "VPHN"	1.47	-
	J M Voith SE & Co. KG, Germany | "VPH"	2.47	2.39
	Voith Austria GmbH, Austria | "VPFF"	3.86	4.86
	J M Voith SE & Co. KG, Germany | "VPEZ"	43.58	37.17
	J M Voith SE & Co. KG, Germany | "VPEZ-DN"	-	2.07
	Voith US Inc., U.S. | "VPFY"	15.33	7.54
	Voith US Inc., U.S. | "VPFS"	0.25	-
	Voith Paper Fabrics S.A., Spain | "VPFG"	2.26	-
	Voith Paper (China) Co., Ltd. | "VPC"	4.39	-
	Voith Paper Fabrics Waycross, LLC, USA | "VPFX"	-	0.32
		104.50	62.31
iii)	**Payables on purchase of property, plant and equipment**		
	Voith Austria GmbH, Austria | "VPFF"	-	2.66
	Voith Paper Fabrics Waycross, LLC, USA | "VPFX"	-	0.20
		-	2.86
iv)	**Other financial liabilities**		
	Voith Paper Technology (India) Private Limited, India	7.50	1.50
	Less: unwinding of discount on security deposit	(0.05)	(0.08)
	VPFIL Employees' Provident Fund Trust	15.80	6.29
		23.25	7.71
v)	**Other liabilities**		
	J M Voith SE & Co. KG, Germany | "VPEZ"	-	1.67
		-	1.67
vi)	**Other receivable**		
	J M Voith SE & Co. KG, Germany | VPH	-	3.27
		-	3.27
vii)	**Other current assets**		
	VPFIL Employees Gratuity Fund	5.80	-
		5.80	-
viii)	**Employee benefits payables**		
	R. Krishna Kumar	0.77	0.65
	Kalyan Dasgupta	0.36	0.26
	C.S. Gugliani	-	0.15
	Deepak Behl	0.15	-
		1.28	1.06
ix)	**Reimbursement of expenses**		
	R. Krishna Kumar	0.20	0.56
		0.20	0.17

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

		For the year ended March 31, 2026	For the year ended March 31, 2025
x)	**Other current liabilities**		
	VPFIL Employees' Provident Fund Trust	1.26	1.20
		1.26	1.20
xi)	**Provision for employee benefits**		
	R. Krishna Kumar	32.54	17.93
	Kalyan Dasgupta	6.69	4.58
	C.S. Gugliani	1.95	2.35
	Deepak Behl	0.06	-
		41.24	24.86

(C) Notes

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured and interest free and settlement occurs in cash.This assessment is undertaken each financial year through examining the financial assumptions and the market in which the related parties operates.

40. Contingent liabilities to the extent not provided for:

Claims against Company, disputed by the Company not acknowledged as debt:

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Income tax matters (refer to note (a) and (b) below)	50.62	19.81
(b) Disputed indirect tax matters for which appeals before the relevant authorities are pending disposal are as follows :		
(i) Custom duty matters	1.41	1.41
(ii) Entry tax matters (refer to note (c))	-	8.73
	52.03	29.95

(a) The Company received a transfer pricing order for A.Y. 2021-2022 in the previous years. The Income tax authorities made an adjustment of INR 50.91 million to the taxable income concerning the Commission sales and trading segment and raised a demand of Rs. 19.81 million.The Company filed an appeal with the Income Tax Appellate Tribunal, Delhi (ITAT). On January 23, 2026 the Company has received favourable order from ITAT on the ground that the AO failed to complete the assessment within the prescribed time limit, rendering the assessment time-barred.

(b) The Company received a draft order passed under 144C of the income tax act, 1961 for A.Y. 2023-2024 in the current year. The income tax authorities have proposed to make an adjustment of INR 122.42 million to the taxable income concerning the commission sales, trading segment, payment of royalty and intra group services. The Company has filed objections with Dispute Resolution Panel (DRP), New Delhi. As of March 31, 2026, the management, in consultation with its tax expert, has assessed the exposure and strongly believes that the likelihood of liability devolving upon the Company in this matter is remote.

(c) During the previous years, the Company received notices of assessment under the Haryana Tax on Entry of Goods into Local Area Act, 2008 ("Haryana Entry Tax Act") for the financial years 2015-16, 2016-17, and 2017-18. The Company has challenged the validity of these notices on the grounds of lack of jurisdiction.

Upon perusal of the order copy received dated February 24, 2026, it has been observed that the case has been decided in the favour of the Company.

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

(d) Labour case:

(i) Fifteen ex-contractual employees filed a case before the Industrial Tribunal-cum-Labour Court II, Haryana, seeking reinstatement with continuity of service, back wages, and related benefits. The Labour Court ruled in their favor, and the Company challenged the decision through a writ petition before the Hon'ble Punjab & Haryana High Court. Subsequently, eight of these employees initiated execution proceedings. Although the Hon'ble High Court granted a stay in a related matter, the Civil Court, Faridabad, ruled that the stay did not apply to the execution of the Labour Court award.

The Civil Court proceedings are ongoing, with objections raised by both parties on the Commissioner's report regarding back wages. Meanwhile, the Company's writ petition was dismissed in August 2020, and Letter Patent Appeal is currently pending before the Double Bench of the Hon'ble High Court. In compliance with Section 17-B of the Industrial Disputes Act, 1947, the Company has disbursed Rs. 1.13 million to the workers.

Based on view provided by legal counsel and internal management analysis, the Company believes that a favorable outcome is probable. However, the financial impact, if any, is currently unascertainable and will depend on future developments.

(ii) The Company is also involved in other labour-related cases where the liability is not presently quantifiable at various forums. Based on view provided by legal counsel and internal management analysis, the Company believes that a favorable outcome is probable. However, the financial impact, if any, is currently unascertainable and will depend on future developments.

(e) Provident Fund:

In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of Supreme Court order.

41. Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 122.69 million (March 31, 2025 : Rs. 54.55 million).

42. Expenditure on corporate social responsibility

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company to monitor the CSR related activities

The details of CSR expenditure made during the year is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
1. Amount required to be spent by the company as per section 135 of Companies Act, 2013	9.84	8.89
2. Amount spent during the year on:		
a) Construction / acquisition of any asset	-	-
b) On purposes other than (a) above	9.84	8.89
3. Shortfall at the end of the year	-	-
4. Total of previous year shortfall	-	-
5. Reasons of shortfall	-	-
6. Excess spent during the year to be carried forward	-	-
7. Nature of CSR activities	Healthcare, sanitation, eradication of hunger, women empowerment and gender equality	
8. Detail of related party transactions in relation to CSR expenditure as per relevant accounting standard	-	-

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

43. Hedging and derivative instruments:

i) The Company uses foreign exchange forward contracts to selectively hedge its exposure. These derivative instruments are not used for speculative or trading purposes.

a) Forward contract outstanding

Purpose	Currency hedged	As at March 31, 2026 (in original currency)	As at March 31, 2026 (in Million Rupees)
Trade payables	USD	211,535	19.85
Trade payables	EUR	85,132	9.18

Purpose	Currency hedged	As at March 31, 2025 (in original currency)	As at March 31, 2025 (in Million Rupees)
Trade receivables	USD	72,410	6.19
Trade payables	USD	136,049	11.62
Trade payables	EUR	47,455	4.38
Capital creditors	EUR	505,047	46.66
Against open purchase orders	USD	91,671	7.83

b) Foreign currency exposure not hedged by forward contracts

Purpose	Currency	As at March 31, 2026 (in original currency)	As at March 31, 2026 (in Million Rupees)
Trade payables	EUR	145,501	15.70
Trade payables	USD	647,783	60.78
Trade payables	GBP	5,977	0.74
Trade payables	CHF	12,366	1.45
Trade payables	SEK	130,238	1.28
Trade payables	CNY	322,800	4.39
Capital creditors	EUR	47,873	5.16
Against open purchase orders	EUR	1,274,261	137.47
Against open purchase orders	USD	802,936	75.33
Against open purchase orders	GBP	16,647	2.07
Against open purchase orders	CNY	404,303	5.50
Against open purchase orders	NOK	14,553	0.14
Trade receivables	EUR	6,682	0.72
Trade receivables	USD	148,252	13.91
Against open sales orders	EUR	353,660	38.15
Against open sales orders	USD	1,492,733	140.05
Against open sales orders	CAD	224,327	15.10
Against open sales orders	CNY	443,936	6.04
Against open sales orders	MYR	113,997	2.64
Cash and cash equivalents	USD	62,321	5.85
Cash and cash equivalents	EUR	22,961	2.47

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Purpose	Currency	As at March 31, 2025	
		(in original currency)	(in Million Rupees)
Trade payables	EUR	226,929	20.97
Trade payables	USD	189,735	16.21
Trade payables	SEK	64,385	0.55
Capital creditors	EUR	175,912	16.25
Capital creditors	USD	2,314	0.20
Other liabilities	EUR	18,031	1.67
Against open purchase orders	USD	1,240,895	106.01
Against open purchase orders	CAD	18,315	1.09
Against open purchase orders	CNY	535,280	6.30
Against open purchase orders	JPY	2,570,500	1.47
Against open purchase orders	SEK	441,782	3.76
Trade receivables	EUR	16,799	1.55
Trade receivables	USD	525,016	44.85
Against open sales orders	EUR	274,027	25.32
Against open sales orders	USD	425,131	36.32
Against open sales orders	CAD	79,089	4.70
Against open sales orders	CNY	780,985	9.20
Against open sales orders	MYR	2,446	0.05
Cash and cash equivalents	USD	13,534	1.16

ii) The mark to market gain on forward contract outstanding as at March 31, 2026 is Rs. 0.26 million (March 31, 2025: Rs. (0.02) million)

44. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the current financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that it's international transactions are at arm's length so that the aforesaid legislation will not have any impact on financial statements, particularly on the amount of tax expense and that of provision for taxation.

45. Computation of earnings per share (basic and diluted)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit for the year attributable to owners of the Company	414.49	398.93
Weighted average number of equity shares used in computing		
For basic earnings per share	4,392,559	4,392,559
For diluted earnings per share	4,392,559	4,392,559
Earnings per share (Face value of Rs. 10 each)		
Basic	94.36	90.87
Diluted	94.36	90.87

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

46. Operating segment

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director and the Company has only one reportable business segment i.e. manufacturing and trading of paper machine clothing for pulp, paper and board industry. Therefore, there is no reportable segment for the Group as per the requirements of Ind AS 108 - Operating Segments.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Information about geographical areas :

The following table shows the distribution of the Company's operating revenue by geographical location of customers, regardless of where the goods were produced/services were rendered from:

(a) Revenues by geography*	For the year ended March 31, 2026	For the year ended March 31, 2025
India	1,704.63	1,611.70
Outside India	384.86	290.57
Total	2,089.49	1,902.27

*Disclosure relating to revenues by geography has been made with respect to location of customers.

(b) The carrying amounts of all non-current segment assets of the Company is located within India.

(c) There is no customer which constitute individually 10% or more of total revenue of the Company.

47. On November 21, 2025, the Government of India notified 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 (collectively referred to as "the Labour Codes") – consolidating 29 existing labour laws. During the current year, based on relevant guidance from Government of India and the Institute of Chartered Accountants of India and legal advice obtained, the Company has completed the detailed impact assessment of these new labour codes. Considering the materiality and regulatory driven, non recurring nature of this impact, the Company has presented incremental gratuity provision of Rs 50.97 million as an exceptional item in the current year.

The Company will continue to track and evaluate the impact of the rules notified by the Central/State Governments post March 31, 2026 and consider the appropriate accounting effect in the relevant periods, as needed.

48. Financial ratios as per the Schedule III requirements:

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% variance	Reason for variance
Current Ratio (in times)	Current assets	Current liabilities	9.21	8.01	14.98%	refer to note (i) below
Debt-equity ratio* (in times)	Total debt	Total equity	Not applicable	Not applicable	Not applicable	refer to note (i) below
Debt service coverage ratio (in times)	Earnings available for debt service = Profit for the year + non-cash operating expenses + interest + other non-cash adjustments	Debt service = Interest and Lease Payments + Principal repayments	595.19	592.79	0.40%	refer to note (i) below

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% variance	Reason for variance
Return on equity ratio (in %age)	Profit for the year	Average total equity**	10.25%	10.88%	-5.79%	refer to note (i) below
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory**	1.54	1.72	-10.47%	refer to note (i) below
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables**	6.37	6.55	-2.75%	refer to note (i) below
Trade payables turnover ratio (in times)	Cost of goods sold + Other expenses	Average trade payables**	6.16	6.38	-3.45%	refer to note (i) below
Net capital turnover ratio (in times)	Revenue from operations	Working capital = Total current assets - Total current liabilities	0.71	0.77	-7.79%	refer to note (i) below
Net profit ratio (in %age)	Profit for the year	Revenue from operations	20.00%	21.00%	-4.76%	refer to note (i) below
Return on capital employed (in %age)	Earning before interest and tax	Capital employed = Net worth + Deferred tax liabilities+Lease liabilities	13.01%	13.94%	-6.67%	refer to note (i) below
Return on investment (in %age)	Income generated from invested funds [refer to note (iii)]	Average investments [refer to note (ii)]	7.55%	8.13%	-7.13%	refer to note (i) below

Notes:

(i) Variance not explained as the change in the ratio is less than 25% as compared to the previous year.

(ii) Average investments = Average of deposits with original maturity of more than 3 months but less than 12 months, deposits having remaining maturity of more than 12 months, Investment properties.

(iii) Income generated from invested funds = Interest on bank deposits and rental income

*The Company does not have any debts

**Average = (Opening + Closing) / 2

49. Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

Notes to the financial statements for the year ended March 31, 2026

(All amounts are in Rs. Million, unless otherwise stated)

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(viii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(ix) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

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

(xi) The Company has not granted any loans to the promoters, directors, Key Managerial Person's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayments as at March 31, 2026.

(xii) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have Core Investment Company (CIC)

(xiii) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

50. The financial statements of the Company for the year ended March 31, 2025, were audited by prior auditors under the Companies Act, 2013.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rajiv Goyal
Partner
Membership No. : 094549

Place : New Delhi
Date : May 20, 2026

For and on behalf of the Board of Directors of
Voith Paper Fabrics India Limited

Martin Bassmann
Chairman
DIN : 10766607

Pallavi D. Gupta
Director
DIN : 06566637

R. Krishna Kumar
Managing Director
DIN : 05344619

Ravinder Nath
Director
DIN : 00062186

Ram Sewak Sharma
Director
DIN : 02166194

Kalyan Dasgupta
Finance Controller
CMA No. : 25152

Deepti Gupta
Director
DIN : 08481203

Deepak Behl
Company Secretary
ACS No. : 40924

Place : New Delhi
Date : May 20, 2026

Voith Paper Fabrics India Limited
Registered Office: 113/114-A, Sector-24
Faridabad 121005 (Haryana),
Delhi NCR, India
CIN: L74899HR1968PLC004895
Tel. + 91 129 4292200; Fax + 91 129 2232072
Website: www.voithpaperfabricsindia.com
email: voithfabrics.faridabad@voith.com

VOITH

NOTICE

Notice is hereby given that the **Fifty-sixth Annual General Meeting** of the members of **Voith Paper Fabrics India Limited** will be held on **Wednesday, 19th August, 2026 at 3:30 p.m. IST**, through Video Conferencing (VC) and/or Other Audio Visual Means (OAVM) at the deemed venue, at the Registered Office of the Company at 113/114-A, Sector-24, Faridabad - 121005, Haryana, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2026, together with the reports of the Board of Directors and Auditor's thereon.

2. To declare a dividend of Rs.10/- per equity share, of face value of Rs.10/- each fully paid-up, for the financial year 2025-26.

3. To consider the re-appointment of Mr. R. Krishna Kumar (DIN: 05344619) as a Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Approval of Material Related Party Transactions.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Regulation 23 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules made thereunder, other applicable laws, if any, and Industry Standards on "Minimum Information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("RPT Industry Standards"), each as amended from time to time, and the Company's Policy on Related Party Transaction(s); approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee empowered/constituted/to be constituted by the Board, from time to time, to exercise the powers conferred by this Resolution) to enter into and/or to carry out new contract(s)/arrangement(s)/agreement(s)/transaction(s) during the financial year 2026-27 (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise (deemed as material transactions, though carried out at arm's length basis and in the normal / ordinary course of business), with the fellow subsidiary companies, and accordingly related parties of the Company under Regulation 2(1)(zb) of SEBI Listing Regulations and Section 2(76) of the Companies Act, 2013, read with related rules in this regard; as mentioned in the explanatory statement annexed herewith.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ agreements/ transactions, settle all queries, difficulties, doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit or expedient, file requisite forms with regulatory authorities and to do or cause to be done all such acts, deeds, matters and things as may be necessary and appropriate and to delegate all or any of its powers herein conferred to any person(s), to give effect to this resolution.

   RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred in this resolution, be and are hereby approved, ratified and confirmed in all respects."

Registered Office:
113/114-A, Sector - 24,
Faridabad - 121005 (Haryana) Delhi NCR, India.
CIN: L74899HR1968PLC004895
Telephone: +91 129 4292200; Fax: +91 129 2232072
Website: www.voithpaperfabricsindia.com, E-mail: investorcare.vffa@voith.com
Place: New Delhi
Date: 20th May, 2026

By Order of the Board
For **Voith Paper Fabrics India Limited**

Deepak Behl
Company Secretary & Compliance officer
ACS No. 40924

NOTES:

1. In view of the situation arising due to COVID-19 global pandemic, the Extra-ordinary/Annual General Meetings (AGM) of the companies were permitted to be conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM), in accordance with the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023, Circular No. 09/2024 dated September 19, 2024 and Circular No. 03/2025 dated September 22, 2025 (collectively referred as "MCA Circulars"), without the physical presence of Members/Shareholders at a common venue. The forthcoming AGM will thus be held through VC/OAVM and Members can attend and participate in the ensuing AGM through VC/OAVM.

   SINCE THE 56th AGM OF THE COMPANY IS BEING CONVENED TO BE HELD THROUGH VC/OAVM, CONSEQUENTLY THE MAP TO REACH THE AGM VENUE IS NOT BEING SENT ALONG WITH THIS NOTICE. THE DEEMDED VENUE FOR THE AGM SHALL BE THE REGISTERED OFFICE OF THE COMPANY.

2. NORMALLY, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED / ELIGIBLE TO APPOINT A PROXY, TO ATTEND AND VOTE ON HIS/ HER BEHALF AT THE AGM, AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY (AS PER SECTION 105 OF COMPANIES ACT, 2013). SINCE THE AGM IS BEING HELD PURSUANT TO MCA CIRCULARS THROUGH VC/ OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE ATTENDANCE SLIP AND PROXY FORM ARE NOT ANNEXED TO THIS NOTICE.

3. As per Section 103 of the Companies Act, 2013, participation of members through VC/OAVM will be considered for ascertaining the quorum at the AGM.

4. As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at Item Nos. 4 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

5. Corporate members (i.e. other than individuals, HUFs, NRI, etc) who are intending to appoint their authorized representatives pursuant to Section 112 or 113 of the Companies Act, 2013, as the case may be, to attend and vote at the AGM being convened through VC/OAVM, are requested to send a duly certified copy of the Board Resolution / Authorization Letter to the Company at its registered address, or upload the same on VC Portal / e-voting portal.

6. An explanatory statement pursuant to section 102 of Companies Act, 2013, setting out the material facts concerning the special business with respect to Item No. 4 to be transacted at AGM forms part of this Notice.

7. The necessary disclosures required in respect of the Director seeking appointment/ re-appointment at this AGM to be made under Regulation 36(3) and other relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ('SS-2) issued by the Institute of Company Secretaries of India is furnished as **Annexure-1** to this notice.

8. Only registered Members of the Company may attend and vote at the AGM through VC facility.

9. In case of joint holders attending the AGM, only such joint holder 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 i.e. Wednesday, 12th August, 2026 will be entitled to vote at the AGM.

10. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 13th August, 2026 to Wednesday, 19th August, 2026 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.

11. The Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection during business hours in the electronic mode from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send the e-mail to investorcare.vffa@voith.com from their registered e-mail address by mentioning their name, DP ID and Client ID/Folio No. and Mobile No.

12. The Registrar and Transfer Agent of the Company and its' contact details are as below:
    MCS Share Transfer Agent Limited
    179-180, 3rd Floor, DSIDC Shed
    Okhla Industrial Area, Phase - I,
    New Delhi - 110020
    E-mail address helpdeskdelhi@mcsregistrars.com OR admin@mcsregistrars.com

13. Pursuant to SEBI Master Circular dated February 6, 2026 issued to the RTA read with other related SEBI Circulars and Regulation 12 of the SEBI Listing Regulations, SEBI has mandated that dividend as recommended by the Board of Directors, if approved by the members at AGM, shall be paid only through electronic mode to those members who are KYC compliant and have updated their bank account details with the Company or its RTA and whose name would appear in the Register of Members as at Wednesday, 12th August, 2026. In respect of shares held in dematerialized mode, dividend would be paid to the beneficial owners of shares as at the end of business hours on Wednesday, 12th August, 2026 as per details furnished by the depositories for this purpose.

    For members whose KYC and bank details are not updated and/or to whom the electronic payment of dividend could not be made successfully, necessary dividend warrants / demand drafts / cheques would NOT be sent in pursuance of instructions/ clarifications from SEBI in this regard. Hence, shareholders are advised to kindly update their NECS Mandates with the Company/RTA (for shares held in physical mode) or the Depository Participant (for shares held in demat mode) at the earliest.

    Accordingly, the members are advised to always keep their KYC and bank account details updated with either their depository participant (where the shares are held in demat mode) or with the RTA (where shares are held in physical mode) of the Company - MCS Share Transfer Agent Limited, New Delhi, **to receive the dividend directly in their designated bank account. Further, Members holding shares in physical form are requested to ensure that their PAN is linked to their Aadhaar card.**

14. As per the provisions of Section 72 of the Companies Act, 2013 read with SEBI Master Circular dated February 6, 2026 issued to RTA the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the requisite application in Form ISR-3 or Form SH-14, as the case may be.

    The said forms can be downloaded from the Company's website at https://www.voithpaperfabricsindia.com/. Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the RTA at helpdeskdelhi@mcsregistrars.com OR admin@mcsregistrars.com in case the shares are held in physical form, quoting their folio no(s).

15. Members may also take note that dividend income is now taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from the dividend paid to the members at relevant rates as provided in the applicable provisions of the Income Tax Act, 2025, as amended, in accordance with the conditions specified therein. However, no tax shall be deducted at source on dividend payable to a resident individual, if the total dividend to be received by them during the financial year 2026-27 does not exceed Rs.10,000/- and also where a member has provided the necessary declaration in Form 121 (together with self-attested copy of valid and operative PAN) , subject to conditions specified in the Income Tax Act, 2025, in this regard, or where the member has submitting a valid documentary evidence substantiating exemption from deduction of tax at source Please send your documents at the registered address of the Company to enable the Company to determine the appropriate TDS/withholding tax rate applicable to the Member verify the documents and provide exemption.

16. In pursuance of NSDL circular no. NSDL/CIR/II/03/2023 dated January 11, 2023, resident non-individual members such as Insurance companies, Mutual Funds, Alternative Investment Fund (AIF) and other domestic financial institutions established in India and non-resident non-individual members such as Foreign Portfolio Investors may submit the relevant form, declarations and documents through their respective custodians who are registered with NSDL for tax services, at the online platform provided by NSDL, in order to determine the applicability and rate of TDS in respect of dividend.

17. Members holding shares in physical form are requested to promptly notify the change in their respective address and/or their NECS/ bank details, including **PAN, KYC and Nomination details etc. always updated** with the RTA of the Company.

18. **Members holding shares in electronic / dematerialized mode are requested to notify the change, if any, in their respective address and/ or their NECS / bank details, to their respective Depository Participant (DP) and not to the company or RTA.**

19. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

20. Members are requested to note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition.

Members seeking any of the above service requests, are required to submit a duly filled and signed Form ISR-4, the format of which is available on the Company's website at www.voithpaperfabricsindia.com. **It may be noted that any service request can only be processed after the folio is fully KYC compliant**.

21. Members may also kindly note that the equity shares of the company are to be compulsorily traded in dematerialized form and, SEBI vide amendment in the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has mandated that with effect from 1st April, 2019, the transfer of securities would be carried out in dematerialized form only. Accordingly, members are advised to immediately dematerialize their shareholding to avoid any inconvenience in future.

22. In order to render better and efficient service, we request you to consolidate the multiple folios existing in the same name and in identical order. Please note that consolidation of folios does not amount to transfer of shares and therefore, no stamp duty will be payable for the same. In case you wish to consolidate your folios, kindly forward your request along with the relevant share certificates to the company or its RTA, MCS Share Transfer Agent Limited, New Delhi.

23. Pursuant to SEBI Circulars dated July 2, 2025 and January 6, 2026 read with SEBI Master Circular issued to RTAs dated February 6, 2026, Members who had submitted transfer deeds for physical shares before April 1, 2019, and whose requests were rejected, returned, or remained unprocessed due to deficiencies, have been provided a special re-lodgement window till February 4, 2027, to re-lodge the transfer requests.

    Transfers would be approved if all the requisite documents are in place. Transfer of shares under this window will be credited only in dematerialised form and will carry a one-year lock in period from the date of transfer registration. Members are requested to contact the Company or the RTA for assistance in this regard.

24. The SEBI Circular dated December 24, 2025 has simplified the framework for issuance of duplicate share certificates and related procedures. The documentation requirements have been standardized, Letter of Confirmation ('LOC') will not be issued effective April 2, 2026 and shares will be credited directly to the shareholder's demat account by the RTA, subject to due diligence. Shareholders are requested to provide a Client Master List not older than two months, duly attested by their DPs. Any LOC issued before April 2, 2026, may be submitted by the shareholders to DP for dematerialisation within 120 days from the date of issuance of LOC.

25. Pursuant to section 124 of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2017-18, stand transferred to the Investor Education and Protection Fund (IEPF) as at the end of year under review. Besides the dividend so transferred, Company has also transferred relevant shares to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder, by following the prescribed procedure in this regard, by writing to the Company/RTA and submitting the required documents for issue of Entitlement Letter. The Members may then make an application to the IEPF Authority in web Form IEPF-5 (available on www.iepf.gov.in) by attaching the Entitlement Letter and other documents.

26. Vide the Master Circular (dated 17th May, 2023) for Registrars to an Issue and Share Transfer Agent, SEBI has simplified the procedure for updating of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, etc.), Nomination details, Bank details and Specimen signature by all holders of securities in physical mode with the Company/RTA. However, **Members holding shares in electronic mode are requested to submit / update these details with the Depository Participants with whom they are maintaining their demat accounts.**

    On or after 1st October 2023, in case any of the above cited documents/ details are not available in respect of physical Folio(s), no service requests or complaints received from a member, will be processed by RTA till the aforesaid details/ documents are provided to RTA. Relevant details and forms prescribed by SEBI in this regard are available on the website of Company at www.voithpaperfabricsindia.com

27. Electronic copy of the Annual Report for the year ended 31st March, 2026 along with the Notice of the 56th Annual General Meeting of the Company is being sent to all the members whose email IDs are registered with RTA/Depository Participants. Please be informed that as per the circular / notification issued by MCA / SEBI in this regard, this year also the companies are not required to send physical copy of the Annual Report for the financial year 2025-26 to the shareholders, unless specifically asked.

    Accordingly, a member desirous of obtaining hard copy of the Annual Report for the financial year 2025-26 together with the Notice of 56th Annual General Meeting of the Company, may send a request to the Company in this regard, mentioning their Folio No./DP ID and Client ID.

    Members may further note that the Notice of 56th Annual General Meeting and the Annual Report for the year ended 31st March, 2026 will also be available on the Company's website at https://www.voith.com/corp-en/vp_india_website_ar_2025-2026.pdf. These can also be accessed on the website of BSE Limited, www.bseindia.com and website of CDSL (agency for providing Remote e-voting facility and e-voting facility during the AGM), at www.evotingindia.com for their reference.

28. Members wishing to seek further information or clarification on the Financial Statements or operations of the Company at the Meeting are requested to send their queries, **at least 15 days before the date of the meeting**, addressed to the Company Secretary at the registered office of the company. Such questions by the members shall be taken up during the meeting.

29. SEBI has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Post exhausting the option to resolve their grievance with the RTA/Company directly and/or through the SEBI SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Company's website at www.voithpaperfabricsindia.com

30. **Members must always mention their Folio No. or DPID & Client ID Number in all correspondence with the Company or the RTA.**

31. **CDSL e-Voting System – For Remote E-voting; E-voting during AGM and joining Virtual Meeting**

    a. In view of the permissions granted by MCA Circulars to the companies, the forthcoming AGM will be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

    b. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

    c. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the 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.

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

    e. Pursuant to MCA Circulars the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

    f. In line with the requirements of MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.voithpaperfabricsindia.com The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

    g. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.

    h. The Board of Directors has appointed M/s. P.C. Jain & Co., Company Secretaries, Faridabad, (FCS No.: 4103; CP No.: 3349) as the Scrutinizer for conducting the E-voting process in fair and transparent manner.

    i. The remote E-voting Facility will be available during the following voting period after which the portal will be blocked and shall not be available for E-voting. Once the vote on the resolution is cast by any member, he/she shall not be allowed to change it subsequently.

Commencement of Remote E-voting	Sunday, 16th August, 2026, at 9:00 a.m.
End of Remote E-voting	Tuesday, 18th August, 2026, at 5:00 p.m.

    k. **The cut-off date (record date) for the purpose of E-voting is, Wednesday, 12th August, 2026**. The voting rights of members shall be in proportion to their equity shareholding in the paid up equity share capital of the company as on cut-off date.

    l. The results of remote E-voting and E-voting at the Annual General Meeting along with scrutinizers' report shall be communicated within two working days from the conclusion of 56th AGM of the Company, to the Stock Exchange (BSE Limited) and shall also be placed on the website of the company viz. www.voithpaperfabricsindia.com

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING & E-VOTING DURING AGM AND JOINING VIRTUAL MEETING THROUGH VC/OAVM ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

i. **The remote E-voting period begins on 16/08/2026 at 09:00 a.m. and ends on 18/08/2026 at 05:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **12th August, 2026**, may cast their vote electronically. The remote E-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

iv. In terms of SEBI Circulars 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	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 to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 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 are 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 & My Easi New (Token) 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 the 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4) 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 name** and you will be re-directed to **e-Voting service provider website** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period 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. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 210 99 11
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

v. Login method for e-Voting and joining virtual meeting for **physical shareholders and shareholders other than individual shareholders, holding shares in Demat form.**

1. The shareholders should log on to the E-voting website www.evotingindia.com
2. Click on "Shareholders" module.
3. Now enter your User ID
   a) For CDSL: 16 digits beneficiary ID
   b) For NSDL: 8 Character DP ID followed by 8 digits Client ID
   c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat form.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) > Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. > If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on EVSN of "Voith Paper Fabrics India Limited".
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option, "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

Additional Facility for Non-individual Shareholders and Custodians - Remote Voting only.

> Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

> A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

> After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

> The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

> It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

> Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, at the email address viz.; fcspcjain@gmail.com; & investorcare.vffa@voith.com respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may **register themselves as a speaker by sending their request in advance atleast 15 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may **send their queries in advance 15 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number; at investorcare.vffa@voith.com and the same will be replied by email / during the AGM.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. **To maintain decorum of the meeting and to provide a fair chance to fellow shareholders also, speaker shareholders are advised to conclude their viewpoints within 5 minutes**.
9. Only those shareholders, who are 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESS / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to Company (investorcare.vffa@voith.com) / RTA email id (helpdeskdelhi@mcsregistrars.com OR admin@mcsregistrars.com)
2. **For Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP).
3. **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 210 99 11

/All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi, AVP, (CDSL)** Central Depository Services (India) Limited, 'A' Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 210 99 11.

Any person who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. on Wednesday, 12th August, 2026, may follow the same instructions as mentioned above for e-voting.

The result declared, along with the Scrutinizer's Report shall be placed on Company's website, www.voithpaperfabricsindia.com within two days of passing of the resolutions at the 56th AGM of the Company and shall also be communicated to BSE Limited - where shares of the company are listed.

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

ITEM NO.4:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and approval of the members by way of a resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), prior approval of the Shareholders through ordinary resolution is required for all Material Related Party Transactions, even if they are in the ordinary course of business and on arm's length basis.

Pursuant to Schedule XII of SEBI Listing Regulations a Related Party Transaction (RPT) will be considered Material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual consolidated turnover as per the last audited financial statements of the Company. As the proposed Related Party Transactions (RPTs) were approved by the Audit Committee and the Board of Directors at their respective meetings held on 4th February 2026, the threshold for determining the Materiality Limit, as per Regulation 23 read with Schedule XII of SEBI Listing Regulations, was arrived at after considering the audited financials of Financial Year 2024/25 - basis which the annual standalone turnover of the Company was INR 1,898.68 million and accordingly, the materiality threshold was INR 189.87 million. *The value of actual transactions carried out with concerned Related Party during FY 2025/26, given under disclosures as per "RPT Industry Standards" at Sr. No. A(3) 1; and proposed transactions as percentage of Company's turnover of FY 2025/26, given under disclosures as per "RPT Industry Standards" at Sr. No. A(4) 4, are for reference purpose only*.

In the financial year 2026-27, the aggregate RPTs as mentioned in following pages are expected to cross the applicable materiality threshold as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the shareholders is required for all such arrangements/transactions to be undertaken by the Company. Besides these proposed Material RPTs, Company would also be paying Royalty/Technical Know-how Fee to JM Voith SE & Co. KG, within the separate limit specified under Regulation 23(1A) of SEBI Listing Regulations.

The Company has established a well-defined and governance-driven policy and process for the identification, review and approval of Related Party Transactions ("RPTs"), aligned with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations. The Company has also ensured compliance with **SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 dated October 13, 2025 on Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions** for each proposed transaction, thereby enabling an informed and independent evaluation.

The Audit Committee comprises majority of Independent Directors as its members, which helps in providing an objective judgment to all transactions proposed for approval. The Audit Committee has considered the information placed before it in the prescribed format, to the extent applicable, and has also reviewed the certificate submitted by the Managing Director & CEO and the CFO of the Company (appended as **Annexure 2** to this Notice), as mandated under the "RPT Industry Standards".

The Audit Committee and the Board, after reviewing all necessary information, are satisfied that the proposed RPTs are in the ordinary course of business, will be undertaken at arm's length basis, and are in the interest of the Company; and would not benefit the Promoter at the expense of public shareholders. The Audit Committee and the Board have accordingly granted their approval for entering into the proposed Material RPTs, subject to the approval of Shareholders.

The relevant minimum disclosures as per "RPT Industry Standards" and information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 dated October 13, 2025 and the Companies Act, 2013 is provided hereunder, for the consideration of members:

Sr. No.	Particulars of information	Information provided by the Management		
A.	**Details of the related party and transactions with the related party**			
A(1)	**Basic details of related party**			
1.	Name of the related party	JM Voith SE & Co. KG	Voith Paper (China) Co. Ltd.	Voith US Inc.
2.	Country of Incorporation	Germany	China	USA
3.	Nature of Business of related party	Operates with a focus on providing products, solutions, and services for various industries, particularly in the fields of energy, paper, raw materials, and transport & automotive.	Manufacturing and service capabilities to provide comprehensive solutions to the pulp and paper industry, including stock preparation systems, paper machines of different grades, consumables such as fabrics and rolls, spare parts, and automation services.	Operates as a diversified engineering and technology company serving the paper, hydropower, transportation, and industrial sectors, focusing on equipment supply, raw material and lifecycle services.
A(2)	**Relationship and ownership of related party**			
1.	Nature of Relationship between the Company and the related party	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary
	Shareholding of the company, whether direct or indirect, in the related party.	The Company does not hold any share in JM Voith SE & Co. KG, Voith Paper (China) Co. Ltd. and Voith US Inc.		
	Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the Company.	This field is not applicable as none of the related parties fit in the category		
	Shareholding of related party, whether direct or indirect, in the Company.	None of the related parties hold any shares in the Company both directly or indirectly		

A(3)	**Details of previous transactions with the related party**										
	Type of transaction	JM Voith SE & Co. KG			Voith Paper (China) Co. Ltd.				Voith US Inc.		
		Sale of goods	Purchase of goods	Purchase of services	Sale of goods	Purchase of goods	Purchase of materials & stores	Purchase of capital goods	Sale of goods	Purchase of materials & stores	Purchase of capital goods
1.	Total amount (INR-Million) of all transactions undertaken by the Company with related party during last Financial Year i.e., 2024/25	80.34	16.24	14.8	3.32	72.34	10.16	13.54	69.23	58.79	-
	Total amount (INR-Million) of all transactions undertaken by the Company with related party during the Financial Year 2025/26.	76.44	21.15	17.15	16.31	89.34	-	-	132.65	86.89	-

2.	Total amount (INR-Million) of all transactions undertaken by the Company with related party during the current Financial Year upto quarter immediately preceding the quarter in which approval is being sought i.e, upto December, 2025	53.05	14.13	12.43	8.89	66.92	-	-	109.53	63.74	-
3.	Default, if any, made by the related party concerning the transactions to be entered with Company (YES/NO)	NO			NO				NO		

A(4)	Amount of proposed transactions									
		JM Voith SE & Co. KG			Voith Paper (China) Co. Ltd.			Voith US Inc.		
		Sale of goods	Purchase of goods	Purchase of services	Sale of goods	Purchase of goods	Purchase of materials & stores	Sale of goods	Purchase of materials & stores	Purchase of capital goods
1.	Total amount (INR) of proposed transactions being placed for approval for FY 2026/27	165	60	20	50	220	60	320	150	40
	Aggregate sum (INR) of transactions proposed for FY 2026/27	245			330			510		
2.	Whether the proposed transactions taken together with transactions in the current FY are Material RPT? (Material Transaction if value exceeds INR 189.87 Mn)	YES			YES			YES		
3.	Value of the proposed transactions as percentage of the Company's annual turnover for the immediately preceding FY i.e., 2024/25 (Annual Turnover FY 2024/25 INR 1,898.68 Mn) Note: Annual consolidated turnover not stated as the Company does not have any subsidiary.	12.90%			17.38%			26.86%		
4.	Value of the proposed transactions as percentage of the Company's annual turnover for the Current FY i.e., 2025/26 (Annual Turnover FY 2025/26 INR 2084.85 Mn) Note: Annual consolidated turnover not stated as the Company does not have any subsidiary.	11.75%			15.83%			24.46%		

5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover for the immediately preceding Financial Year.	0.07%	0.02%	0.01%	0.14%	0.60%	0.16%	0.50%	0.24%	0.06%

6.	Financial Performance of the related party for the immediately preceding Financial Year.	Financial Year	October to September Local Currency - Euro		January to December Local Currency - CNY		October to September Local Currency - USD	
		Exchange rate applied	1 Euro = 104.2548 INR (As at 30-Sep-2025)		1 CNY = 12.84 INR (As at 31-Dec-2025)		1 USD = 88.796 INR (As at 30-Sep-2025)	
		Particulars	EUR-Million	Equivalent INR-Million	CNY-Million	Equivalent INR-Million	USD-Million	Equivalent INR-Million
		Turnover	2,358.56	245,891.09	2,854.19	36,647.74	717.50	63,711.43
		Profit After Tax	78.83	8,218.19	184.16	2,364.59	43.68	3,878.39
		Net Worth	165.86	17,291.20	923.08	11,852.31	336.08	29,842.76

A(5)	**Basic details of proposed transactions**									
1.	Specific type of the proposed transaction	JM Voith SE & Co. KG			Voith Paper (China) Co. Ltd.			Voith US Inc.		
		Sale of goods	Purchase of goods	Purchase of services	Sale of goods	Purchase of goods	Purchase of materials & stores	Sale of goods	Purchase of materials & stores	Purchase of Capital goods
2.	Details of each type of proposed transactions	Company would be entering into transactions for sale/purchase of finished/semi-finished goods on contract manufacturing basis by respective related party, and raw materials/machinery spares/ components etc.; as well as IT services rendered by the related party. Capital goods would include purchase of new/used machine/equipment.								
3.	Tenure of the proposed transactions	FY 2026-27			FY 2026-27			FY 2026-27		
4.	Whether Omnibus Approval Sought	Yes			Yes			Yes		
5.	Value of proposed transaction during the financial year. If the proposed transaction will be executed over more than one financial year	Not applicable, as tenure of none of the proposed transaction is exceeding one year.								
6.	Justification as to why the RPTs proposed to be entered into are in interest of the listed entity	The Company has been buying, selling goods and also availing/rendering services from/to the Group company in normal course of business, with assured quality & delivery at competitive prices and at arm's length basis. The Company intends to explore the opportunities available by accessing a wider customer base in foreign markets, enabling the company to utilize its full potential in a cost effective manner. However, these markets can be accessed only through the local Voith Group companies operating in that region. This is likely to result in increased turnover and profits for our company.								
7.	Details of Promoter(s) / Directors(s) / Key Managerial Personnel(s) of the Company who have interest, directly or indirectly, in the transaction.	Being a nominee of the Holding Company (VP Auslandsbeteiligungen GmbH), Mr. Martin Bassmann, Chairperson of the Board of the Company, is deemed to be concerned or interested.								

8.	Copy of valuation report or other external party report, if any	N.A	N.A	N.A
9.	Other information relevant for decision making	None	None	None
B	**Information to be provided only if specific type of RPT as mentioned below is proposed to be undertaken and is in addition to Part A**			
B(1)	**Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances**			
1.	Bidding or other process, if any, applied for choosing a party for sale, purchase, supply of goods or services	Counterparty is selected after considering various aspects such as confidentiality of design, technology requirements, proximity-related supply chain efficiencies, etc.		
2.	Basis of determination of price for sale, purchase, supply of goods or services.	As Negotiated	As Negotiated	As Negotiated
3.	In case of Trade Advance, if any, proposed to be extended to RP in relation to the transaction, specify the following;	In relation to the proposed transactions, no Trade Advances are currently envisaged to be extended to the related party. Accordingly, the details are presently not applicable.		
	a) Amount of Trade Advance			
	b) Tenure			
	c) Whether same is self-liquidating?			
Point B(2) to B(7) and C(1) to C(6) is not applicable				

In the financial year 2026-27, the aforesaid proposed transactions, individually or in aggregate may cross the applicable materiality threshold under Regulation 23 of the SEBI Listing Regulations. Accordingly, prior approval of the shareholders is being sought for grant of authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted/ empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for all these RPTs to be undertaken (whether individual transaction or transactions taken together or series of transactions or otherwise) with the related parties, as fresh and independent transaction(s) or otherwise, in the financial year 2026-27.

Any subsequent 'material modification' in the proposed transactions, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions' will be placed before the Shareholders for approval, in terms of Regulation 23(4) of the SEBI Listing Regulations, 2015.

Except as mentioned, none of the other Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Members may please note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party is a party to the aforesaid transactions or not), shall not vote to approve resolution for such transactions. Accordingly, the Holding Company (VP Auslandsbeteiligungen GmbH), is not entitled to approve the resolution set out at Item No. 4 of the Notice.

The Board recommends passing of the resolution set out at Item No. 4 of the Notice by way of an Ordinary Resolution by remaining Shareholders.

Registered Office:

113/114-A, Sector - 24,
Faridabad - 121005 (Haryana) Delhi NCR, India.
CIN: L74899HR1968PLC004895
Telephone: +91 129 4292200; Fax: +91 129 2232072
Website: www.voithpaperfabricsindia.com, E-mail: investorcare.vffa@voith.com
Place: New Delhi
Date: 20th May, 2026

By Order of the Board
For **Voith Paper Fabrics India Limited**

Deepak Behl
Company Secretary & Compliance officer
ACS No. 40924

ANNEXURE 1

Additional information on director seeking re-appointment as required under Regulation 36(3) of the SEBI Listing Regulation, 2015 and Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. R. Krishna Kumar
DIN	05344619
Age in years	50
Date of initial Appointment in the Company	23rd July, 2014
Date of Reappointment	Lastly, reappointed as a Director liable to retire by rotation, and as Managing Director, by shareholders of the Company, at the 54th AGM held on 9th August, 2024.
Term of Reappointment / Remuneration last drawn / Remuneration sought to be paid	In accordance with existing terms of appointment as Managing Director, as approved by the shareholders of the Company at the 54th AGM held on 9th August, 2024; and subject to retirement by rotation. Remuneration last drawn by the Managing Director is appearing in Annexure III of the Board Report.
Expertise in Specific Functional Areas / Brief Resume	Engineering and Administration. He has been associated with the Company since January, 2010 in various capacities, and as it's Managing Director since 1st August, 2014, he has been instrumental in consistent growth of Company.
Qualification	He holds the degree of B.E. and is an alumnus of BITS Pilani, IIM Calcutta and Harvard.
Experience	He possesses a total experience of about 30 years.
Inter-se Relationship with Directors/Key Managerial Personnel	None
Number of Board Meetings attended during current FY 2026-27	1
Number of Board Meetings attended during previous FY 2025-26	4
Directorships held in other companies in India, as on 31/03/2026	Voith Paper Technology (India) Private Limited
Chairmanship / Membership of Statutory Committees of other Companies, in which he is a Director, as on 31/03/2026	Nil
Listed entities from which resigned in past three years	None
No. of shares held in the Company (Including those held by relatives), directly or as a beneficial owner, as on 31/03/2026	NIL

ANNEXURE 2

The Members of Audit Committee / Board of Directors
Voith Paper Fabrics India Limited
113/114-A, Sector - 24,
Faridabad, Haryana - 121005

Sub.: Confirmation Certificate on Proposed Related Party Transactions

In compliance with the applicable requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed and certified that the Related Party Transactions (RPTs) - proposed to be carried out on an arm's length basis, and in the ordinary course of business - during the coming Financial Year (FY) 2026/27, are in the interest of the Company.

For Voith Paper Fabrics India Limited

-Sd/-	-Sd/-
R. Krishna Kumar	Kalyan Dasgupta
Managing Director	Finance Controller (CFO)

Dated: 02-02-2026