



**Registered Office :**

Modern Woollens, Pragati Path,  
BHILWARA-311001 (Rajasthan), INDIA

Phone : +91-1482-241801

E-mail : cs@modernwoollens.com

Website : www.modernwoollens.com

CIN : L17115RJ1980PLC002075

**Date: 05.09.2026**

The Manager,  
Department of Corporate Services  
**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street  
MUMBAI - 400 001  
Script Code: 500282

The Manager,  
Department of Corporate Services  
**The National Stock Exchange of India Ltd.**  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block Bandra Kurla Complex  
Bandra (E) Mumbai – 400051  
Script Code: MODTHREAD

Dear Sir/Madam,

**Sub.: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Annual Report for the financial year ended 31<sup>st</sup> March 2026 including Notice of the 45<sup>th</sup> Annual General Meeting**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the financial year ended 31<sup>st</sup> March 2026, including Notice of the 45<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Wednesday, 30<sup>th</sup> September, 2026 at 10.00 A.M. at the Registered Office of the Company at Modern Woollens, Pragati Path, Bhilwara-311 001 (Rajasthan).

The notice of 45<sup>th</sup> Annual General Meeting and Annual Report for the financial year ended 31<sup>st</sup> March 2026, already uploaded on the Company's website at [www.modernwoollens.com](http://www.modernwoollens.com) and can be accessed at [https://api.modernwoollens.com/uploads/1/2026-09/1788496937\\_annual-report-2025-26.pdf](https://api.modernwoollens.com/uploads/1/2026-09/1788496937_annual-report-2025-26.pdf)

This is for your information and record please.

Thanking you,

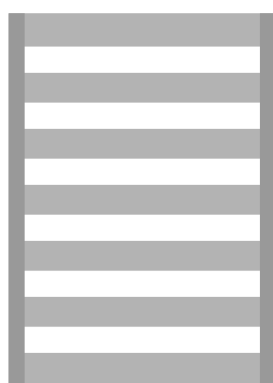
Yours faithfully

**For Modern Threads (India) Limited**

(Anil Kumar Jain)  
Company Secretary & Compliance Officer  
M.No: F7842



# **ANNUAL REPORT 2025-2026**



**Modern**  
**THREADS (INDIA) LIMITED**

## **BOARD OF DIRECTORS**

Shri Rajesh Ranka – Chairman & Managing Director

Shri Prabodh Kumar Nahar – Whole Time Director & CFO

Smt. Veena Jain – Non-Executive  
Non-Independent Director

Shri Mukesh Kumar Soni – Non-Executive  
Independent Director

Smt. Ankita Jain – Non-Executive  
Independent Director

Shri C.M. Jain – Non-Executive  
Independent Director

## **COMPANY SECRETARY**

Shri Anil Kumar Jain

### **AUDITORS**

S.S. Surana & Co.  
Chartered Accountants  
Jaipur-302015 (Raj.)

### **SECRETARIAL AUDITOR**

R.K. Jain & Associates  
Company Secretaries  
Bhilwara-311 001

### **COST AUDITORS**

S. Goyal & Co.  
Cost Accountants  
Jaipur-302 015

### **REGISTERED OFFICE**

Modern Threads (India) Limited  
Modern Woollens, Pragati Path,  
Bhilwara-311001 (Rajasthan)  
Phone : 91-1482-241801, Fax : 297924  
Email : [cs@modernwoollens.com](mailto:cs@modernwoollens.com)  
Website : [www.modernwoollens.com](http://www.modernwoollens.com)  
CIN : L17115RJ1980PLC002075

### **MARKETING OFFICE :**

5, Bhima Building,  
Sir, Pochkhanwala Road,  
Worli, Mumbai-400 030

### **PLANTS**

#### **Woollen Division**

Pragati Path,  
Bhilwara-311 001 (Rajasthan)

#### **Yarn Division**

Village Raila-311 024  
Distt. Bhilwara (Rajasthan)



## NOTICE

NOTICE is hereby given that the 45th Annual General Meeting of the Members of **Modern Threads (India) Limited** will be held on Wednesday, 30th September, 2026 at 10:00 A.M. (IST) at Registered Office of the Company at Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2026 together with the Reports of the Board and Auditors thereon.

#### 2. Appointment of Mr Prabodh Kumar Nahar (DIN: 11457800) as a Director, liable to retire by rotation

To appoint a Director in place of Mr. Prabodh Kumar Nahar (DIN: 11457800), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. To ratify the Remuneration of the Cost Auditors for the Financial Year 2026-27

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the payment of the remuneration of Rs. 50,000/-(Rupees Fifty Thousand only) plus applicable GST and reimbursement of actual out of pocket expenses to M/s S. Goyal & Co., Cost Accountants (Firm Registration No. 005883), who were appointed by the Board of Directors of the Company as "Cost Auditors" to conduct the audit of the cost records of the Company for the financial year 2026-27, be and is hereby ratified and approved.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby severally/jointly authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors  
**For Modern Threads (India) Limited**

Place : Bhilwara  
 Date : 30th May, 2026

**Anil Kumar Jain**  
 (Company Secretary)  
 M. No. : F7842

### Notes :

- The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the business under Item No. 3 set out above and details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking re-appointment at this Annual General Meeting are annexed hereto.
- In pursuant to General Circular numbers 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 02/2022 and 10/2022 dated 08.04.2020, 13.04.2020, 15.06.2020, 29.09.2020, 31.12.2020, 23.06.2021, 08.12.2021, 05.05.2022 and 28.12.2022 respectively, issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular dated 12.05.2020, 15.01.2021, 13.05.2022, 03.06.2022 and 05.01.2023 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'Circulars'), the Notice of 45th AGM along with the Annual Report for the financial year 2025-26 is sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories / RTA as on Friday, 28th August, 2026. The AGM notice and Annual Report of the Company are made available on the Company's website at www.modernwoollens.com and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com and National Stock Exchange of India Limited - www.nseindia.com.
- Members may also note that the notice of the 45th AGM, Attendance Slip, Proxy Form, Ballot Paper and the Annual Report for FY 2025-26 will also be available on the Company website at www.modernwoollens.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (10:00 am to 5:00 pm) on working days, upto and including the date of AGM of the Company.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company. In terms of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
- The proxy form duly completed and signed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
- Institutional/Corporate Members intending to send their authorized representatives to the attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures to those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting. The said certified true copy of the Board Resolution should be sent to the scrutinizer by email through its registered email address to rkjainbhilwara@gmail.com with a copy marked to cs@modernwoollens.com before e-voting/attending Annual General Meeting.
- In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote during the meeting.
- Only bonafide members of the Company whose name appear on the Register of Members /Proxy holders, in possession of valid attendance slips duly filed and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- Details of Directors retiring by rotation/seeking re-appointment at the ensuing meeting are provided in the "Annexure" to the notice.
- The Company's Register of members and share transfer books shall remain closed from Thursday, the 24th September, 2026 to Wednesday, the 30th September, 2026 (both days inclusive) in connection with the Annual General Meeting.
- As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
- As per Regulation 40 of SEBI (LODR) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holdings shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice.
- As a part of the green initiatives the Members, who have not yet registered their E-mail addresses, are requested to register their E-mail addresses with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/RTA will be sent to the registered E-mail address.
- Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents or to their respective Depository Participant ("DP") in case the shares are held in dematerialized form.
- Updation of Members' details: The format of the Register of Members prescribed by the MCA under the Act requires the Company/RTA to record additional details of Members, including their PAN details, E-mail address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or

RTA. Members holding shares in electronic form are requested to furnish the details to their respective DP.

16. Non-resident Indian Shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:
  - a. The change in the residential status on return to India for permanent settlement.
  - b. The particulars of the NRE account with a Bank in India, if no furnished earlier.
17. Members are requested to send all communications relating to shares and change of address etc. to the Registrar and Share Transfer Agent to the following address:  
Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110 062.
18. A member desirous of getting any information on the accounts of the Company is requested to forward his request to the Company at least 10 days prior to the meeting. So that the required information can be made available at the Meeting.
19. Members holding shares in physical form who have not registered their email address with the Company / RTA can obtain Annual Report by providing a duly signed request letter with folio no, name of the shareholders, scanned copy of the share certificate (front and back). Self-attested scanned copy of PAN and Aadhar by email to [cs@modernwoollens.com](mailto:cs@modernwoollens.com).
20. Pursuant to SEBI circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, as amended, it shall be mandatory for all holders of physical securities to furnish PAN, Nomination, Address, Mobile Number, Bank Account Details and Specimen Signature. The members are requested to update their above KYC details (if not yet done) with the Company/RTA. The relevant forms for updation of KYC details can be downloaded from the website of the Company at [www.modernwoollens.com](http://www.modernwoollens.com) or RTA website: [www.beetalfinancial.com](http://www.beetalfinancial.com).
21. A route map showing directions to reach the venue of the Annual General Meeting is given with the Notice/Annual Report.
22. The Register of Directors and KMP and their shareholding and Register of contracts or arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available at registered office of the company for inspection by the members at the AGM.
23. CS Rajendra Kumar Jain, Practicing Company Secretary (Membership No. FCS 4584) has been appointed as the Scrutinizer for the conduct of remote e-voting and e-voting process to be carried out at the AGM of the Company in a fair and transparent manner.

#### 24. Voting Options

##### E-Voting System - For e-voting and attending the 45th AGM

1. 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 in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-voting facility provided by Listed Entities, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at

the 45th AGM, through the remote e-voting services provided by National Securities Depository Limited ("NSDL").

2. The facility for voting through Polling Paper shall also be made available at the AGM and the members attending the meeting who have not already cast their vote through remote e-voting shall be able to exercise their right at the AGM.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website [www.modernwoollens.com](http://www.modernwoollens.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and the same shall also be communicated to BSE & NSE.
5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Wednesday, 23rd September, 2026, may obtain the login ID and password by sending a request to Company at [cs@modernwoollens.com](mailto:cs@modernwoollens.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
6. In line with the Ministry of Corporate Affairs (MCA) Circulars the Notice calling the AGM has been uploaded on the website of the Company at [www.modernwoollens.com](http://www.modernwoollens.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday, 27th September, 2026 at 9:00 A.M. and ends on Tuesday, 29th September, 2026 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 23rd September, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 23rd September 2026.

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

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

##### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting for Individual shareholders holding securities in demat mode

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

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

| Type of shareholders                                                | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>1. For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period</li> <li>2. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under "<b>IDeAS</b>" section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol> |

|                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                        | <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on<br/>  App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>                                                                                                                                                                                                                                                                                                 |
| Individual Shareholders holding securities in demat mode with CDSL                                     | <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the 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. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at [above mentioned website](#).

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

| Login type                                                         | Helpdesk details                                                                                                                                                                                                           |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000                                            |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911 |

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

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

- 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, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
- Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is :                                                                                                                                       |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |

|                                                            |                                                                                                                                                           |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****                                                     |
| c) For Members holding shares in Physical Form.            | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- Password details for shareholders other than Individual shareholders are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  - Now, you will have to click on "Login" button.
  - After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**How to cast your vote electronically on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rkjainbhilwara@gmail.com](mailto:rkjainbhilwara@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on : 022-4886 7000 or send a request to Mr. Kartik Sharma at [evoting@nsdl.com](mailto:evoting@nsdl.com)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail**

**ids for e-voting for the resolutions set out in this notice:**

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3**

On the recommendation of the Audit Committee, the Board has approved the re-appointment and remuneration of M/s S. Goyal & Co, Cost Accountants, Jaipur (Firm Registration No. 005883) to conduct the audit of cost records of the Company's respectively for the financial year 2026-27 at a fee of Rs.50,000/-, subject to TDS, GST etc., as applicable, apart from out of pocket expenses, as remuneration for cost audit services for the financial year 2026-27.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors have to be ratified by the shareholders of the Company. Hence, the Members approval is being sought by way of Ordinary Resolution.

The Board recommends the resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution.

**By Order of the Board of Directors  
For Modern Threads (India) Limited**

Place : Bhilwara  
Date : 30th May, 2026

(Anil Kumar Jain)  
Company Secretary  
M. No. : F7842

**Annexure**

**PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:**

|                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Directors                                                                                                                                       | Mr. Prabodh Kumar Nahar                                                                                                                                                                                                                                                                                                                           |
| Designation                                                                                                                                             | Whole time Director & CFO                                                                                                                                                                                                                                                                                                                         |
| Director Identification Number (DIN)                                                                                                                    | 11457800                                                                                                                                                                                                                                                                                                                                          |
| Date of Birth                                                                                                                                           | 22/10/1965                                                                                                                                                                                                                                                                                                                                        |
| Qualifications                                                                                                                                          | M.Com, FCA                                                                                                                                                                                                                                                                                                                                        |
| Brief Resume                                                                                                                                            | Mr. Prabodh Kumar Nahar is Post Graduate in Commerce from the University of Rajasthan. He is also fellow member of the Institute of Chartered Accountants of India (ICAI). Mr. Prabodh Kumar Nahar has about 37 years vast and rich experience in the field of Finance, Commercial, Accounts, Taxation, legal, Administration and Management etc. |
| Nature of expertise in specific functional areas                                                                                                        | Finance, Commercial, Taxation, Legal, Administration and Management                                                                                                                                                                                                                                                                               |
| Date of first Appointment on the Board of the Company                                                                                                   | 07/01/2026                                                                                                                                                                                                                                                                                                                                        |
| Number of share held in the company                                                                                                                     | 377                                                                                                                                                                                                                                                                                                                                               |
| Name of listed entities in which the person holds directorship and the membership of Committees of the Board                                            | Modern Threads (India) Limited                                                                                                                                                                                                                                                                                                                    |
| Listed entities from which the person has resigned in the past three years                                                                              | Nil                                                                                                                                                                                                                                                                                                                                               |
| Shareholding of non-executive directors (in the listed entity, including shareholding as a beneficial owner)                                            | Nil                                                                                                                                                                                                                                                                                                                                               |
| Remuneration proposed to be paid                                                                                                                        | -                                                                                                                                                                                                                                                                                                                                                 |
| Terms and conditions of appointment/ reappointment                                                                                                      | Retire by Rotation                                                                                                                                                                                                                                                                                                                                |
| Relationship between directors inter-se and Key Managerial Personnel                                                                                    | Not related to any other Directors/ Key Managerial Personnel of the Company                                                                                                                                                                                                                                                                       |
| Membership/Chairmanships of Audit and Stakeholders Relationship committees                                                                              | Member of Audit Committee and Stakeholders Relationship Committee                                                                                                                                                                                                                                                                                 |
| In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | Not Applicable                                                                                                                                                                                                                                                                                                                                    |

## DIRECTOR'S REPORT

**To the members of Modern Threads (India) Limited,**

Your Directors are pleased to present the 45th Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended 31st March, 2026.

### FINANCIAL SUMMARY

The summary of financial performance of the Company for the year ended 31 March, 2026 is furnished hereunder:

(Rs. in Crores)

| Particulars                            | Standalone   |               | Consolidated |               |
|----------------------------------------|--------------|---------------|--------------|---------------|
|                                        | Current Year | Previous Year | Current Year | Previous Year |
|                                        | 2025-26      | 2024-25       | 2025-26      | 2024-25       |
| Revenue from operations & other Income | 312.27       | 269.89        | 306.43       | 269.89        |
| Profit before exceptional items & tax  | 18.49        | 4.75          | 17.43        | 4.75          |
| Exceptional items                      | —            | —             | —            | —             |
| Profit before tax                      | 18.49        | 4.75          | 17.64        | 4.75          |
| Less-Tax expenses                      | 5.45         | 1.38          | 5.45         | 1.38          |
| Profit for the year                    | 13.04        | 3.37          | 12.19        | 3.37          |
| Other Comprehensive Income             | 0.56         | 0.21          | 0.49         | 0.21          |
| Total Comprehensive Income             | 13.60        | 3.58          | 12.68        | 3.58          |

### STATE OF COMPANY'S AFFAIRS

The performance of the Woollen Division of the Company has been satisfactory over past few years. During the year under review the turnover of the Woollen Division of the Company is Rs. 184.96 Crores as against Rs. 167.60 Crores in the previous year. During the year under review the turnover of the Yarn Division of the Company is Rs. 116.82 Crores as against Rs 93.59 Crores in the previous year.

#### Standalone Performance

For the Financial Year 2025-26, Revenue from Operations & other income of the Company is Rs. 312.27 crores as against Rs. 269.89 Crores in the previous year, registering an increase of Rs. 15.70%. The Profit before tax and exceptional items is Rs. 18.49 Crores as against Rs. 4.75 Crores in the previous year. The Profit after tax is Rs. 13.04 Crores as against 3.37 Crores in the previous year.

#### Consolidated Performance

For the Financial Year 2025-26, Revenue from Operations & other income of the Company is Rs. 306.43 Crores. The Profit before tax and exceptional items is Rs. 17.64 Crores. The Profit after tax for the year is Rs. 12.19 Crores.

### EXPORTS

Global instability continued to be impacted this year as well and additionally there was short supply of Australian wool consequently prices of RM went up. As such there was internationally less demand in exports, but domestic market supported to overcome the situation. Most of the spinner including Modern Woollens focused to spin fine count for better utilization of spin capacity. Last quarter of the year also disturbed due to ongoing geopolitical situation in terms of supply, higher cost & delayed delivery.

Major upgradation & capacity expansion conceived current year & company has plan increase sale of yarn by around 20-25% based on medium & coarse count. Company is expecting from 3rd quarter of the next year, the plant will be fully operational.

### FUTURE PROSPECTS

Export future is not very optimistic because of many small customer & country has reduced their wool & blended yarn consumption. Export market is expecting price drop in wool because it has gone up dramatically high this year.

### SHARE CAPITAL

The authorized Share Capital of the Company stood at Rs. 185,00,00,000. During the year under review, there was no change in paid up share capital of the Company. The paid-up Equity Share Capital as at March 31, 2026 stood at Rs. 34,77,51,600 (Rupees Thirty Four Crore Seventy Seven Lakh Fifty One Thousand Six Hundred) divided into 3,47,75,160 equity shares of Rs. 10 each.

### TRANSFER TO RESERVE

The Company has not transferred any amount to reserves during the year under review.

### DIVIDEND

The Company has added some new/imported used machines to replace the old technology machines for better quality of yarn and wool tops. Continuous replacement of machines is our aim to increase the production through balancing of machines with better quality of products. Looking long term sustainability in market we conserve the resources of the company for expansion and modernization of technology machineries. Power cost is major factor in competitive market and The Board of Directors of your company has decided to increase Solar power capacity and RO plant which require capital expenditure in coming years. The Board of directors has decided not to recommend any dividend on the Equity Shares of the company for the year under review.

### FIXED DEPOSITS

The Company has neither accepted nor renewed any fixed deposits during the year under review within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014

### FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2026 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2026. The Notes to the Financial Statements form an integral part of this Report.

Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses financial results on a quarterly basis which are subjected to limited review.

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES

A wholly owned subsidiary in name of "Modern Woollens UK Ltd" has been incorporated on 18.11.2024 with the Registrar of Companies for England and Wales. Modern Woollens UK Ltd started its operations in the quarter ended 31.12.2025.

In accordance with the provisions of the first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the subsidiary, in the prescribed Form AOC-1, is annexed to this Report as Annexure A

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors consists of 6 (Six) members, of which 3 (Three) are Independent Directors and 1 (one) is Non-Executive Director. The Board also has one woman Independent Director.

During the year, Mr. Prabodh Kumar Nahar has been appointed as Whole-time Director designated as Executive Director of the Company on 07th January, 2026.

During the year, Mr. Ram Awatar Kabra has been resigned as Executive Director with effect from closing of business hours of 07th January, 2026.

#### **Director Retirement by rotation**

Mr. Prabodh Kumar Nahar (DIN: 11457800), Director of the Company, is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and, being eligible, offers himself for reappointment. The Nomination and Remuneration Committee and the Board recommend him reappointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

#### **Key Managerial Personnel**

In terms of the provisions of section 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Rajesh Ranka, Chairman & Managing Director, Mr. Prabodh Kumar Nahar, Whole time Director & CFO and Shri Anil Kumar Jain, Company Secretary & Compliance officer are the Key Managerial Personnel (KMP) of the Company. The appointment and remuneration of Directors and KMPs are as per policy of the Company.

#### **Declaration of Independent Directors**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and confirmation that they have complied with the Code of Independent Directors prescribed in the Schedule IV of the Companies Act, 2013. The terms and conditions for the appointment of the Independent Directors are disclosed on the website of the Company.

The Board of Directors is of the opinion that all the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors and that all the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are Independent of the management.

#### **Nomination and Remuneration Policy**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed the Nomination and Remuneration Policy for appointment of Directors, Key Managerial personnel & Senior Management Personnel and also their remuneration and performance evaluations. The Nomination and Remuneration Policy is available at website of the company at <https://www.modernwoollens.com>.

#### **Annual Evaluation of the Performance of the Board, Its Committees and Individual Directors**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Standard parameters were prepared after taking into consideration various aspects of the Board functioning such as adequacy of the composition of the Board and its Committees, Board culture,

execution and performance of specific duties, obligations and governance.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Company, who were evaluated on parameters such as level of engagement and contribution, independence of Judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and the Non-Independent Directors of the Company was carried out by the Independent Directors in a separate meeting who have expressed their satisfaction with the evaluation process.

#### **NUMBER OF BOARD MEETINGS**

The Board meets regular intervals to discuss and decide on business strategies and policies and review the financial performance of the Company. The notice and detailed agenda alongwith other material information are sent in advance separately to each Directors.

Seven meetings of the Board were held during the year. The detail of meetings of the Board held during the year forms part of the Corporate Governance Report.

#### **AUDIT COMMITTEE**

The Audit Committee was constituted by the Board in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. Listing Regulations. The composition, quorum, terms of reference, functions, powers, roles and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations, 2015. All the members of the committee are financially literate and Smt. Ankita Jain, Chairman of the Committee is an Independent Director and possesses financial expertise.

The details regarding composition, terms of references, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

#### **INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and constituted Internal Complaints Committee as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has also adopted a policy on Sexual Harassment of Women at Workplace and framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information.

Details of complaints received/disposed during the financial year 2025-26 is provided in Corporate Governance Report which forms part of the Annual Report.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, your directors would like to state and confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) They had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss

of the Company for that period;

- (c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They had prepared the annual accounts of the Company for the year ended on 31st March, 2026 on a going concern basis;
- (e) They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors**

S.S. Surana & Co. Chartered Accountants, Jaipur (Firm Registration No. 001079C) were appointed as Statutory Auditors of the Company in the 41st Annual General Meeting of the Company held on 30th September, 2022 for a period of five years from the conclusion of 41st Annual General Meeting up to the conclusion of 46th Annual General Meeting of the Company.

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

The Statutory Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013 in the year under review.

##### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, had approved the appointment of M/s. R.K Jain & Associates, Company Secretaries, (Membership No. 5866) Bhilwara, as the Secretarial Auditors of the Company for a period of five consecutive financial years commencing from the financial year 2025-26 up to the financial year 2029-30, which was subsequently approved by the Members at the 44th Annual General Meeting.

The Secretarial Audit Report for the financial year ended 31st March, 2026, issued by the Secretarial Auditor, is annexed to this Report as Annexure B. The said Report does not contain any qualification, reservation, adverse remark, or disclaimer. The observations in the report are self-explanatory and therefore, do not call for any further comments.

##### **Cost Auditors**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of Cost Records every year. The Board after considering the recommendations of its Audit Committee has appointed M/s S. Goyal & Company, Cost Accountants, Jaipur (Firm Registration No. 005883) as cost auditors for the financial year 2026-27, subject to the approval of the members at the ensuing Annual General Meeting.

##### **Cost Records**

The Cost accounts and records, as required to be maintained under Section 148 (1) of the Companies Act, 2013, are duly made and maintained by the Company.

##### **Internal Auditor**

Shri Naveen Kumar Vijayvargiya was re-appointed as the Internal Auditor of the Company for the financial year 2026-27, on the recommendation of Audit Committee. Internal Audit Report, their significant findings and follow up actions taken by the management is reviewed by the audit committee on a quarterly basis.

##### **Tax Auditor**

As per the requirement of Section 44AB of the Income Tax Act, 1961 M/S. S.S. Surana & Co., Chartered Accountants (Firm Registration No. 001079C), Jaipur have been appointed as Tax Auditor for the financial year 2026-27.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE,**

#### **GUARANTEES GIVEN AND SECURITIES PROVIDED**

Particulars of loans given, investments made, guarantees given and securities covered under section 186 of the Companies Act, 2013 form part of the notes to the Standalone Financial Statements of the Company.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR**

#### **ADEQUACY**

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strength with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

The Company is also initiating action for strengthening the systems and procedures to ensure effective Internal Financial Controls in accordance with Section 134(5) (e) of the Companies Act, 2013. An Internal Audit process is in place under the overall supervision of the Audit Committee of the Board. Qualified and experienced professionals are engaged to ensure effective and independent evaluation of the Internal Financial Controls.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions are being taken.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,**

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption, Foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as Annexure-C to the Board's Report.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Pursuant to the provision of Section 177(9) and (10) of the Companies Act, 2013, read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Company has formulated and implemented the Whistle Blower Policy/Vigil Mechanism. This has provided a mechanism for Directors and employees of the Company and other persons dealing with the Company to report genuine concerns about unethical behavior, actual or suspected fraud and violation of the Company's code of conduct and ethics. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. This policy is available on the website of the company at <https://www.modernwoollens.com>.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company is committed to make a positive contribution to communities where it operates. Pursuant to Section 135 of the Companies Act, 2013, the Company constituted CSR committee and formulated CSR Policy as guiding principle for undertaking CSR activities. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for improvement in quality of life and betterment of society through its CSR related initiatives. The CSR policy of the Company is available on the website of the company at <https://www.modernwoollens.com>.

During the current year, the Company has spent Rs. 65.00 Lakhs on CSR activities. The disclosures of CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Corporate Social Responsibility) Rules, 2014 is annexed as Annexure - D hereto and form part of this report.

## **ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) of the Act, read with the Companies (Management & Administration) Rules, 2014, the annual return in the prescribed form is available on the website of the Company at <https://www.modernwoollens.com>.

## **CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. A policy on related party transactions has been placed on the Company's website <https://www.modernwoollens.com>.

In accordance with the provisions of section 188 of the Companies Act, 2013 and rules made thereunder, all related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materiality significant related party transactions which may have a potential conflict with the interests of the Company at large. All related party transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature.

The details of contracts and arrangement with related parties for the financial year ended 31.3.2026, are given in Note No. 37 to the Financial Statements forming part of this Annual Report.

Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, information in form AOC-2 is provided as Annexure-E to the Board's Report.

## **CODE OF CONDUCT**

A declaration signed by the Managing Director in regard to compliance with the Code of Conduct by the Board Members and Senior Management personnel, also forms part of the Annual Report.

## **FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

Your Company has formulated familiarization program for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such familiarization program is available on the website of the Company at the website <https://www.modernwoollens.com>.

## **RISK MANAGEMENT POLICY**

The Risk Management policy is formulated and implemented by the Company in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy aimed at creating and protecting shareholders value by minimizing threats and losses and identifying and maximizing opportunities. The risk management policy defines the risk management approach across the enterprise at various levels, including documentation and reporting.

## **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is provided as Annexure - F to the Boards Report. .

## **SECRETARIAL STANDARDS**

The Board of Directors has devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and that such systems were adequate and operating effectively and the Company has complied with all applicable Secretarial Standards during the year under review.

## **CORPORATE GOVERNANCE REPORT**

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the stipulations set out in the Listing Regulation

and have implemented all the prescribed requirements. The Corporate Governance Report and Certificate from practicing company secretaries confirming compliance of conditions as required by Regulation 34(3) read with Part E of Schedule V of the Listing Regulations form part of this Board's Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out as Annexure-G to the Board's Report and forms an integral part of the Report.

## **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT**

There are no material changes or commitments affecting the financial position or business activities of the Company between the end of the Financial Year and the date of this Board's Report.

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

During the year under review, the Company has not entered into any one-time settlement.

## **CHANGE IN NATURE OF BUSINESS**

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

## **INSURANCE**

Your Company has taken appropriate insurance for all assets against foreseeable perils.

## **GENERAL DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- No issue of equity shares with differential rights as to dividend, voting or otherwise;
- No Significant and material orders were passed by the any Regulators or Courts or Tribunals impacts the going concern status and Company's operations in future;
- No fraud was reported by the Auditors to the Audit Committee or Board under section 143(12) of the Companies Act, 2013;
- No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

## **ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent Support and encouragement to the Company. Your Directors also wish to place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

**For and on behalf of the Board of Directors**

**Rajesh Ranka**  
**Chairman & Managing Director**  
**DIN: 03438721**

Place: Bhilwara  
 Dated: 30.05.2026

## Annexure A

**Form AOC-1**  
**(Pursuant to first proviso to sub-1 Statement containing salient features of the**  
**financial statement of subsidiaries/associate companies/joint ventures**  
**Part "A": Subsidiaries**

(Amounts in Lacs)

| Sl. No. | Particulars                                                                                                                 | Description                |
|---------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 1.      | Name of the subsidiary                                                                                                      | Modern Woollens UK Limited |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | 31.03.2026                 |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | In Rupees                  |
| 4.      | Share capital                                                                                                               | 0.00                       |
| 5.      | Reserves & surplus                                                                                                          | (21.00)                    |
| 6.      | Total assets                                                                                                                | 812.14                     |
| 7.      | Total Liabilities                                                                                                           | 833.14                     |
| 8.      | Investments                                                                                                                 | -                          |
| 9.      | Turnover                                                                                                                    | 158.27                     |
| 10.     | Profit before taxation                                                                                                      | (20.23)                    |
| 11.     | Provision for taxation                                                                                                      | -                          |
| 12.     | Profit after taxation                                                                                                       | (20.23)                    |
| 13.     | Proposed Dividend                                                                                                           | -                          |
| 14.     | % of shareholding                                                                                                           | 100%                       |

Notes : The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: N.A
- Names of subsidiaries which have been liquidated or sold during the year.: N.A.

## Annexure -B

**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,  
**Modern Threads (India) Limited**  
Modern Woollens, Pragati Path,  
Bhilwara-311001, Rajasthan

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MODERN THREADS (INDIA) LIMITED** (hereinafter called the Company) [CIN: L17115RJ1980PLC002075] Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- The Companies Act, 2013 (the Act) and the rules made thereunder; as amended from time to time;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as amended from time to time;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; as amended from time to time;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. There was no transaction relating FDI and ODI during the year under review. (Not applicable to the Company during the Audit Period)

- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. (Not applicable to the Company during the Audit Period)
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (there were no events requiring compliance during the audit period)
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (there were no events requiring compliance during the audit period)
  - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (there were no events requiring compliance during the audit period);
  - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (there were no events requiring compliance during the audit period)
- All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

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

- (i) The Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange of India Ltd.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

The preference shares were redeemable in four equal instalments commencing from the year 2003-04. As informed by the management, the same was not paid due to paucity of funds. Thereafter, the preference shares were expected to be redeemed as per Rehabilitation Scheme to be approved by BIFR. The Dividend on Cumulative redeemable Preference Shares has not been provided for earlier years due to cumulative losses and negative net worth. The company was expected waiver/ relief under Draft Rehabilitation Scheme pending for approval with BIFR. But pursuant to Sick Industrial Companies (Special Provision) Repeal Act, 2003 (SICA Repeal Act) the proceedings pending before BIFR stands abated with effect from 1/12/2016 and the company has not initiated any reference to National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code 2016. The company has not complied with the provisions of Section 55(3) of the Companies Act, 2013.

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent

Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda, were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

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

For R K Jain & Associates  
Practicing Company Secretaries  
Peer Review Certificate No. 1361/2021

R K Jain  
Proprietor  
COP No. 5866  
FCS No. 4584

UDIN: F004584H000548688

Place : Bhilwara  
Date : 30.05.2026

#### Annexure A

To,  
The Members,  
**Modern Threads (India) Limited**  
Modern Woollens, Pragati Path,  
Bhilwara-311001, Rajasthan

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

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

5. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination is limited to the verification of procedures on test basis.

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

For R K Jain & Associates  
Practicing Company Secretaries  
Peer Review Certificate No. 1361/2021

R K Jain  
Proprietor  
COP No. 5866  
FCS No. 4584

UDIN: F004584H000548688

Place : Bhilwara  
Date : 30.05.2026

#### Annexure-'C'

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo required under the Companies (Accounts) Rules, 2014

##### (A) Conservation of energy-

| Particulars                                                               | Compliance /Action                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Steps taken or impact on conservation of energy                       | We are planning for energy audit so that areas where we can concentrate be identified and planned for implementation to save energy.<br>The Company has installed total 1.5 MW roof toop solar power plant at Threads Division, Raila, of the Company.<br>The Company has replaced old machines with new efficient machines/equipments. |
| (ii) Steps taken by the company for utilising alternate sources of energy |                                                                                                                                                                                                                                                                                                                                         |
| (iii) The capital investment on energy conservation equipments            |                                                                                                                                                                                                                                                                                                                                         |

##### (B) Technology absorption-

| Particulars                                                                                                               | Compliance /Action                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) The efforts made towards technology absorption                                                                        | In process.                                                                                                                                                                   |
| (ii) The benefits derived like product improvement, cost reduction, product development or import substitution            | Technological up gradation of various machineries has improved the product quality, reduction in customer complaints, cost reduction, manpower engagement and energy savings. |
| (iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year) | N.A.                                                                                                                                                                          |
| (a) The details of technology imported                                                                                    | N.A.                                                                                                                                                                          |
| (b) Technology import from                                                                                                | N.A.                                                                                                                                                                          |
| (c) The year of import                                                                                                    | N.A.                                                                                                                                                                          |
| (d) Whether the technology been fully absorbed                                                                            | N.A.                                                                                                                                                                          |
| (e) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                       | N.A.                                                                                                                                                                          |
| (iv) The expenditure incurred on Research and Development                                                                 | N.A.                                                                                                                                                                          |

**(C) Foreign exchange earnings and Outgo-**

| Particulars                                                                                                                                      | Details                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Activities relating to exports, initiatives to increase exports, Developments of New export markets for products and services and export plan | We are sending our marketing team to various part of the world for development of yarn market and attending exhibitions on regular basis. |
| 2. Total Foreign Exchange Earned and Used                                                                                                        |                                                                                                                                           |
| i) The Foreign Exchange earned in terms of actual inflows during the year                                                                        | Rs. 9362.70 Lakh                                                                                                                          |
| ii) Foreign Exchange outgo during the year in terms of actual outflows                                                                           | Rs. 9699.00 Lakh                                                                                                                          |

**ANNEXURE “D”****ANNUAL REPORT ON THE CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES****[Pursuant to Section 135 of the Companies Act, 2013 read with Companies****(Corporate Social Responsibility Policy) Rules, 2014, as amended.]****1. Brief outline on CSR Policy of the Company.**

The CSR Policy of the company can include the below mentioned activities which are within the purview of the Schedule VII of the Companies Act, 2013 to attain its CSR objectives in a professional and integrated manner, a brief outline is as below:

- Enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; preserving and promoting sports;
- Promoting education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Contributions to technology incubators located with academic institutions which are approved by the Central Government;
- Rural development projects.

The company is desirous of conducting its CSR activities through one or more of its Trusts.

To ensure effective implementation of the CSR programs proposed to be undertaken by the Company, a monitoring mechanism has been in place by the Company as and when required.

**2. Composition of CSR Committee:**

| Sl. 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.      | Shri Rajesh Ranka     | Chairman & Managing Director, Chairman of CSR Committee | 2                                                        | 2                                                            |
| 2       | Smt. Ankita Jain      | Independent Director, Member of CSR Committee           | 2                                                        | 2                                                            |
| 3       | Shri Chhitar Mal Jain | Independent Director, Member of CSR Committee           | 2                                                        | 2                                                            |

During the year under review two meetings of the CSR Committee were held on 30th May, 2025 and 14th February, 2026 with all three directors as mentioned above were present.

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The detailed policy is available on the weblink <http://www.modernwoollens.com/modern-woollens-policies.asp>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable.****5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Not Applicable****6. Average net profit of the company as per section 135(5). : Rs. 18.33 Crores****7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 36.66 Lacs**

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

(c) Amount required to be set off for the financial year, if any. : **102.90 Lacs**

(d) Total CSR obligation for the financial year (7a+7b-7c) : **Rs. 66.24 Lacs**

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

| Total Amount Spent for the Financial Year (in ₹ Lacs) | Amount Unspent (₹ in Lacs)                                            |                  |                                                                                                     |        |                  |
|-------------------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
|                                                       | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|                                                       | Amount                                                                | Date of transfer | Name of the Fund                                                                                    | Amount | Date of transfer |
| 65.00                                                 | NA                                                                    | NA               | NA                                                                                                  | NA     | NA               |

**(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable**

| Annexure - 2: List of CSR projects for the financial year 2019-2020 |                     |                                                             |                      |                         |          |                  |                                           |                                                     |                                                                                          |                                        |                                                    |                         |
|---------------------------------------------------------------------|---------------------|-------------------------------------------------------------|----------------------|-------------------------|----------|------------------|-------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------|-------------------------|
| (1)                                                                 | (2)                 | (3)                                                         | (4)                  | (5)                     |          | (6)              | (7)                                       | (8)                                                 | (9)                                                                                      | (10)                                   | (11)                                               |                         |
| Sl. No.                                                             | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project |          | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation Direct (Yes/No) | Mode of Implementation Through Implementing Agency |                         |
|                                                                     |                     |                                                             |                      | State                   | District |                  |                                           |                                                     |                                                                                          |                                        | Name                                               | CSR Registration number |
| –                                                                   | NA                  | NA                                                          | NA                   | NA                      | NA       | NA               | NA                                        | NA                                                  | NA                                                                                       | NA                                     | NA                                                 | NA                      |

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

| (1)     | (2)                                                    | (3)                                                         | (4)                 | (5)                     |             | (6)                                   | (7)                                    | (8)                                                |                         |
|---------|--------------------------------------------------------|-------------------------------------------------------------|---------------------|-------------------------|-------------|---------------------------------------|----------------------------------------|----------------------------------------------------|-------------------------|
| Sl. No. | Name of the Project                                    | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project |             | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes/No) | Mode of implementation Through implementing agency |                         |
|         |                                                        |                                                             |                     | State                   | District    |                                       |                                        | Name                                               | CSR Registration Number |
| 1.      | Care Taking Cow in Cowshed and Animal Welfare Fund     | Animal Welfare Activity                                     | Yes                 | Rajasthan               | Bhilwara    | 25,00,000                             | No                                     | H.M. Ranka Foundation                              | CSR 00015953            |
| 2.      | Provide Education to the meritorious and poor students | Promoting Education Activity                                | No                  | Rajasthan               | Chittorgarh | 40,00,000                             | No                                     | Acharya Shri Nanesh Samta Vikas trust              | CSR 00041213            |
|         |                                                        |                                                             |                     |                         | Total       | 65,00,000                             |                                        |                                                    |                         |

**(d)** Amount spent in Administrative Overheads : Nil**(e)** Amount spent on Impact Assessment, if applicable : Nil**(f)** Total amount spent for the Financial Year (8b+8c+8d+8e) : **Rs. 65.00 Lacs****(g)** Excess amount for setoff, if any

| Sl. No. | Particular                                                                                                  | Amount (₹ in Lacs) |
|---------|-------------------------------------------------------------------------------------------------------------|--------------------|
| (i)     | Two per cent of average net profit of the company as per Section 135(5)                                     | 36.66              |
| (ii)    | Total amount spent for the Financial Year*                                                                  | 167.90             |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]                                                       | 131.24             |
| (iv)    | Surplus arising out of the 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)]                                     | 131.24             |

\*This amount includes excess CSR amount spent during FY 2024-25 and adjusted against the required CSR spent for FY 2025-26.

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

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section135(6) (in Rs.) | Amount spent in the Reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any |                 |                  | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---------|--------------------------|------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------|------------------|----------------------------------------------------------------------|
|         |                          |                                                                        |                                                       | Name of the Fund                                                                          | Amount (in Rs.) | Date of transfer |                                                                      |
| —       | Nil                      | Nil                                                                    | Nil                                                   | Nil                                                                                       | Nil             | Nil              | Nil                                                                  |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

| (1)     | (2)         | (3)                 | (4)                                               | (5)              | (6)                                             | (7)                                                                  | (8)                                                                     | (9)                                        |
|---------|-------------|---------------------|---------------------------------------------------|------------------|-------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------|
| Sl. No. | Project ID. | Name of the Project | Financial Year in Which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs.) | Cumulative amount spent at the end of reporting Financial Year (in Rs.) | Status of the project- Completed / Ongoing |
| -       | Nil         | Nil                 | Nil                                               | Nil              | Nil                                             | Nil                                                                  | Nil                                                                     | Nil                                        |

**10. In case of creation or acquisition of capital asset, furnish the details relating to the assets of created or acquired through CSR spent in the financial year (asset-wise details).****(a)** Date of creation or acquisition of the capital asset (s). **N.A.****(b)** Amount of CSR spent for creation or acquisition of capital asset. **N.A.****(c)** Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **N.A.****(d)** Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **N.A.****11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Nil****(Rajesh Ranka)**Chairman & Managing Director  
and Chairman CSR Committee  
DIN:03438721Place : Bhilwara  
Date : 30th May, 2026

**ANNEXURE “E”****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 length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) Name(s) of the related party and nature of relationship : Nil
  - (b) Nature of contracts/arrangements/transactions : Nil
  - (c) Duration of the contracts/arrangements/transactions : Nil
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : NIL
  - (e) Justification for entering into such contracts or arrangements or transactions : Nil
  - (f) date(s) of approval by the Board : Nil
  - (g) Amount paid as advances, if any : Nil
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : Nil
2. Details of material contracts or arrangement or transactions at arm's length basis

| Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any Company paid (in Rs.) | Date(s) of approval by the Board, if any | Amount paid as advances, if any: |
|---------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------|
| Nil                                                     | Nil                                           | Nil                                                 | Nil                                                                                                              | Nil                                      | Nil                              |

**FOR Modern Threads (India) Limited****Rajesh Ranka**Chairman & Managing Director  
DIN:03438721Place : Bhilwara  
Date : 30th May, 2026**ANNEXURE “F”****Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- 1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

| Median remuneration of all the employees of the Company for the Financial Year 2025-26 |                                                               | 161058                                                   |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------|
| Number of permanent employees on the rolls of the Company as on 31st March, 2026       |                                                               | 1191                                                     |
| Name of Director and KMP                                                               | Ratio of remuneration to median remuneration of all employees | % increase in remuneration in the Financial Year 2025-26 |
| Shri Rajesh Ranka (CMD)                                                                | 33.38                                                         | 12.00%                                                   |
| Shri P.K. Nahar (Whole-time Director & CFO)*                                           | 16.09                                                         | 6.38%                                                    |
| Shri Ram Awatar Kabra**                                                                | N.A.                                                          | N.A.                                                     |
| Shri Anil Kumar Jain (CS)                                                              | 6.67                                                          | 7.83                                                     |

\*Appointed as Whole-time Director w.e.f. 07.01.2026

\*\*Resigned as Executive Director w.e.f. 07.01.2026

- (2) Top ten employee remuneration of the company

| Name                    | Designation                       | Qualification & Experience | Date of Commencement of Employment | Age      | Last Employment                              | % of Equity Shares held | Whether relative of Director or Manager |
|-------------------------|-----------------------------------|----------------------------|------------------------------------|----------|----------------------------------------------|-------------------------|-----------------------------------------|
| Rajesh Ranka            | Chairman & Managing Director      | MBA                        | 22/09/2011                         | 59 Years | NA                                           | Nil                     | NA                                      |
| Prabodh Kumar Nahar     | Whole-time Director & CFO         | M.Com. FCA                 | 16/04/1992                         | 60 Years | Bhilwara Textile (p)Ltd                      | 377 shares              | NA                                      |
| Sujeet Kumar            | Vice-President (Export-Marketing) | MMS (Mkt)                  | 07/04/2012                         | 56 Years | R.S.W.M.                                     | Nil                     | NA                                      |
| Satish Kumar Mittal     | President (Modern Threads)        | B. Tech                    | 22/03/2025                         | 62 Years | Reliance Chemotex, Udaipur                   | Nil                     | NA                                      |
| Dharmendra Kumar Shukla | Dy. G.M. (Mkt)                    | MBA                        | 09/07/2013                         | 49 Years | Vikram Woollens                              | Nil                     | NA                                      |
| Vaghamshi Nanjibhai     | G.M. (Lanolin)                    | M.Sc. Chemistry            | 29/05/2025                         | 52 Years | Aimgis Life Sciences Ltd.                    | Nil                     | NA                                      |
| Tanmay Banerjee         | G.M. (Combing)                    | B.Tech                     | 09/08/2024                         | 58 years | Jaya Shree Textiles                          | Nil                     | NA                                      |
| Panna Lal Pagaria       | G.M. (Marketing)                  | B.Com                      | 11/09/2023                         | 60 Years | Self-Employment                              | Nil                     | NA                                      |
| Mahendra Chopra         | Vice President (Ir)               | M.Com. DLL                 | 27/11/1989                         | 61 Years | Hindustan Motors                             | Nil                     | NA                                      |
| Ram Awatar Kabra        | Executive Director                | B.Com. FCA.FCS             | 11/06/2017                         | 69 Year  | Suzuki Textiles Ltd. Gudda (Mandal) Bhilwara | Nil                     | NA                                      |

- 3) Name of the employee who was in receipt of remuneration not less than 1.02 Crore in the financial year ending 31st March 2026 - Nil
- 4) Name of the employee who was in receipt of remuneration not less than 8.5 Lacs per month for any part of the financial year ending 31st March, 2026- Nil
- 5) Name of the employee if employed throughout the financial year or part thereof, was in receipt of remuneration in the financial year ending 31st March, 2026 which is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company-Nil
- 6) The remuneration is as per the remuneration policy of the company.

## ANNEXURE 'G'

### Management Discussion and Analysis Report

#### GLOBAL ECONOMY

After withstanding higher trade barriers and elevated uncertainty last year, global activity now faces a major test from the outbreak of war in the Middle East. Assuming that the conflict remains limited in duration and scope, global growth is projected to slow to 3.1 percent in 2026 and 3.2 percent in 2027. Global headline inflation is projected to rise modestly in 2026 before resuming its decline in 2027. Slowdown in growth and increase in inflation are expected to be particularly pronounced in emerging market and developing economies.

A longer or broader conflict, worsening geopolitical fragmentation, a reassessment of expectations surrounding artificial intelligence driven productivity, or renewed trade tensions could significantly weaken growth and destabilize financial markets.

Global conditions remain shaped by a mix of risks and moderating factors. Trade fragmentation and geopolitical uncertainties continue to challenge global trade flows and economic visibility. However, easing inflation across several economies is enabling central banks to gradually move away from earlier monetary tightening, thereby supporting financial conditions.

<https://www.imf.org>

#### INDIAN ECONOMY

India's economic outlook for 2025-26 reflects moderate growth, with GDP projections ranging between 6.4 percent and 6.6 percent. India Ratings & Research forecasts 6.6 percent growth, while ICRA estimates a slightly lower 6.5 percent, citing global uncertainties as a key risk. The Reserve Bank of India (RBI) has also revised its projection for FY 2024-25 to 6.6 percent (real GDP growth). Inflation remains a significant concern, with its impact on consumption and urban demand highlighted as a critical challenge.

The RBI has also pointed to subdued manufacturing activity in Q2 FY25 (petroleum products, iron, steel, and cement), contraction in mining activity, and lower electricity demand - in its latest bulletin dated December 6, 2024. Additional uncertainties stem from weather variability, agricultural output, and global factors such as tariff changes and commodity prices.

However, there are positives; the fiscal deficit target of 4.5 percent for 2025-26 may allow room for increased government spending, according to ICRA. On monetary policy, the RBI may consider a shallow rate-cut cycle in early 2025, with a 50-basis-point reduction potentially spread over two policy announcements, contingent on December CPI inflation data.

<https://www.india-briefing.com>

#### GLOBAL TEXTILE INDUSTRY

The textile market size has grown strongly in recent years. It will grow from \$660.13 billion in 2025 to \$702.97 billion in 2026 at a compound annual growth rate (CAGR) of 6.5%. The growth in the historic period can be attributed to expansion of global apparel manufacturing, rising household consumption of textiles, availability of diverse raw fiber sources, growth of home furnishing demand, development of large-scale textile mills.

The textile market size is expected to see strong growth in the next few years. It will grow to \$919.08 billion in 2030 at a compound annual growth rate (CAGR) of 6.9%. The growth in the forecast period can be attributed to increasing demand for eco-friendly apparel, expansion of technical textiles in industrial applications, growing investments in smart textile manufacturing, rising focus on circular textile economy, increasing adoption of digital manufacturing technologies. Major trends in the forecast period include growing adoption of sustainable and organic fibers, rising demand for technical and performance textiles, expansion of digital textile printing, increasing use of recycled and bio-based materials, enhanced focus on supply chain traceability.

<https://www.researchandmarkets.com>

#### INDIAN TEXTILE INDUSTRY

India's textile and apparel industry continues to demonstrate resilience, anchored by a large domestic market, policy support and a gradual shift toward higher-value segments. India's textile and apparel market is estimated at US\$ 194 billion in 2025-26, registering a year-on-year growth of 5 percent. The domestic market continues to dominate, contributing nearly 80 percent of total industry size, while exports account for the remaining 20 percent.

India's domestic T&A market has grown from US\$ 106 billion in 2019-20 to US\$ 157 billion in 2025-26, reflecting a CAGR of 7 percent. To achieve the government's ambitious US\$ 250 billion domestic market target by 2030-31, the industry will need to accelerate growth to nearly 9 percent annually, supported by investments, productivity improvements and formalisation.

India's textile and apparel exports stood at US\$ 37 billion in 2025-26, showing flat growth compared to the previous year. Apparel continues to account for the largest share at around 45 percent, followed by textiles including yarn, fabric and home textiles.

Source:

[textileinsights.in](https://textileinsights.in)

#### GOVERNMENT INITIATIVES

During FY 2025-26, the Indian government launched and expanded major initiatives to modernize the textile sector include PM MITRA (Mega Integrated Textile Region and Apparel) Parks, Textile Cluster Development Scheme (TCDS), new Cotton Mission, Production Linked Incentive (PLI) Scheme, Samarth Scheme and National Technical Textiles Mission (NTTM).

#### COMPANY OVERVIEW

Modern Threads (India) Limited (MTIL) is engaged in the textile industry, offering a diverse range of products including worsted yarn, wool tops, wool grease, polyester viscose fiber-dyed yarn, 100% polyester yarn, and lanolin. The company began its journey in 1973 under the name Modern Woollens, focusing on the production of wool and wool-blended worsted yarn in India. In 1989, MTIL expanded into the manufacturing of wool tops, and in 2006, it doubled its production capacity for both wool and blended worsted yarn.

Further expansion occurred in 2014 with the addition of approximately 1,000 spindles and preparatory equipment, increasing the annual worsted yarn production capacity from 1,700 to 2,100 tons. Aligning with India's broader industrial growth, the company has emerged as one of the leading manufacturers and exporters of wool and blended worsted yarn in the country.

Operating from its facility in Bhilwara, Rajasthan, Modern Woollens has established a strong international presence and reputation. The company enforces rigorous quality control standards using an advanced in-house laboratory equipped with 'Inter-Wool Lab'-accredited instruments. Over the years, MTIL has consistently received accolades for its excellence in exports, with its products now reaching over 25 countries, including regions in Europe, Latin America, the Far East, the Middle East, and Africa.

#### **Company Foundation**

| Particulars             | As of 31st March, 2025 | As of 31st March, 2026 |
|-------------------------|------------------------|------------------------|
| PV Spindles (nos.)      | 27,648                 | 27,648                 |
| Woollen Spindles (nos.) | 14792                  | 14792                  |

#### **Industrial Structure and Development**

The worsted yarn segment of Textile Industry is moving ahead and likely to grow fast in coming years. The turn of woollens as a fashion fabric in global as well as domestic markets, coupled with renewed attention on specialty and high value-added yarn will be growth drivers for woollen division of the Company. The Company is proposed to capture the growth potential through its wide range of products of worsted yarn by entering in foreign markets.

#### **Outlook**

Consistent efforts are being made by the Woollens Division of the Company to ensure sustainable leadership for its products in global market. Woollen Division has also initiated efforts to retain existing customers base and contracting newer customers in overseas market with different product range in worsted yarn so as to achieve improved performance and profitability in the ensuing period.

#### **Opportunities and Threats**

In the current age of liberation and globalization, your Board considers it appropriate to explore new business areas/opportunities to broad base investment and industry presence to attain its main purpose of delivering long term value to the shareholders of new improved means as etc.

Growth prospects of the Woollen & Yarn divisions of the Company are bright due to ongoing efforts of management for improving operational efficiency, cost reduction and better management of available financial resources. Your company is expecting improved performance of woollen division as well as yarn division in the coming years.

Significant presence of small suppliers which has reduced the bargaining power, threat from unorganized sector & low cost substitute products from other countries are also factors of concern for management.

#### **Risk and Concerns**

The Company's management follows a structured and effective risk management framework to support the processes of identifying, assessing, mitigating, and reporting risks. A wide spectrum of risks-such as business environment risks, market fluctuations, political uncertainties, environmental factors, and liquidity challenges are regularly identified. Once these risks are recognized, management evaluates their potential impact and formulates appropriate strategies to mitigate them.

#### **Financial Performance**

Details of significant changes i.e change of 25% or more as compared to the immediately previous financial year:

#### **Human Resource**

The success of an organization is closely linked to the level of satisfaction among its employees. MTIL places great emphasis on the importance of hiring a diverse workforce and values the unique contributions that each employee brings to the table. The Company acknowledges that its intellectual capital is its most valuable asset, and any loss of it would have a significant negative impact on its performance. Its primary objective is to attract and retain competent employees, while fostering a workplace environment that is fulfilling, safe, welcoming, and supportive of career growth. During the year under review, the Company employed around 1000+ people across various locations and departments.

By emphasizing the importance of a varied and engaged workforce, the Company is taking important steps towards ensuring its success and growth in the long-term.

#### **Internal Control System and their Adequacy**

The Company maintains appropriate and effective internal control systems, which are aligned with the size and complexity of its business. According to the Company's perspective, among other considerations, these systems offer a fair guarantee that transactions are carried out with management authorization. These systems have been implemented at every level. They are meant to ensure compliance with statutory and regulatory requirements for internal controls, as well as the accurate recording of financial and operational data. The permissible compilation of financial accounts is ensured by generally accepted accounting standards. Moreover, the sufficient protection of the Company's assets from major misappropriation or loss is also assured. A crucial component of company internal control system is an independent internal audit function.

#### **Cautionary Statements**

Statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations, or predictions, may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE REPORT

The Company has complied with the requirements of Corporate Governance as stipulated in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. The Company is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability and commitment to values. Our robust corporate governance structure is based on well-structured policies and procedures that are the backbone of our governance philosophy. Our policies are formulated to ensure business continuity and to maintain a high quality throughout our operations

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Modern Threads (India) Limited (hereinafter referred as "the Company") is committed to achieve strengthen and sustain high standards of Corporate Governance practices and adherence thereto, in letter and spirit, at all times, which go beyond mere regulatory compliances. The Company is also committed to maintain the highest level of transparency, accountability and equity in all facets of its operations. It firmly believes that Corporate Governance is about the management of an organization based on ethical business principles and commitment to values and that the same are in force at all levels within the Company. The Corporate Governance model adopted by the Company consists of a set of rules, procedures and standards with the aim of establishing efficient and transparent operations, within the organization, to protect the rights and interests of the Company's shareholders and to enhance stakeholders' value while complying with the provisions of law in all dealings with Government, customers, suppliers, employees and other stakeholders. It is also intended to ensure attractive returns to all stakeholders of the business based on the premise that sound Corporate Governance is the pre-requisite to success, sustainable growth and long-term value creation. Your Directors present the Company's Report on Corporate Governance for the year ended on 31st March 2026.

Your Company is committed towards transparency in all its dealings and places high emphasis on business principles and believes good Corporate Governance goes beyond working results and financial priority and is a pre-requisite for the attainment of excellent performance.

### BOARD OF DIRECTORS

The Board of Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also provides strategic direction, reviews and approves management's business objectives, plans and oversees risk management.

### COMPOSITION

The Company has a balanced mix of executive and non-executive Directors. As at the end of financial year, the Board of Directors comprises of 6 Directors and out of which 2 directors are executive directors and 4 are non-executive directors including one Woman director and 3 independent directors. The Chairman is executive and Promoter of the Company and the number of Independent Directors is 3 which is in compliance with the stipulated one half of the total number of Directors as per the requirement of Listing Regulations. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are completely independent of the management Composition of the Board of Directors of the Company as on 31st March 2026 was as under with details of other directorships and committee chairmanship and memberships: -

| Name                                     | Category of Director | No. of other Directorship and Committee Chairmanship and Memberships in other Public Company |                           |                         | List of Directorship held in Other Listed Companies and Category of Directorship |
|------------------------------------------|----------------------|----------------------------------------------------------------------------------------------|---------------------------|-------------------------|----------------------------------------------------------------------------------|
|                                          |                      | Other Directorships                                                                          | Chairman of the Committee | Member of the Committee |                                                                                  |
| Shri Rajesh Ranka (DIN: 03438721)        | Promoter Executive   | One                                                                                          | Nil                       | Nil                     | Nil                                                                              |
| Shri Prabodh Kumar Nahar (DIN: 11457800) | Executive            | Nil                                                                                          | Nil                       | Nil                     | Nil                                                                              |
| Smt. Veena Jain (DIN:07148606)           | Non-Executive        | Nil                                                                                          | Nil                       | Nil                     | Nil                                                                              |
| Smt. Ankita Jain (DIN:09598249)          | Independent          | Nil                                                                                          | Nil                       | Nil                     | Nil                                                                              |
| Shri Chhitar Mal Jain (DIN:09566506)     | Independent          | Nil                                                                                          | Nil                       | Nil                     | Nil                                                                              |
| Shri Mukesh Kumar Soni (DIN:10804913)    | Independent          | Nil                                                                                          | Nil                       | Nil                     | Nil                                                                              |

### Notes:

- Other Company directorship excluding foreign companies and companies under Section 8 of the Act, alternate directorship and trust.
- Only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the ("The Listing Regulations").
- None of the Directors hold the office of director in more than the permissible under the Act, or Regulation 25 and 26 of the Listing Regulations.
- Shri Prabodh Kumar Nahar and Smt. Veena Jain, Directors are liable to retire by rotation.
- Shri Prabodh Kumar Nahar has been appointed a Whole-Time Director of the Company on 07th January, 2026.
- Shri Ram Awatar Kabra (DIN: 00945603) has been resigned as Executive Director of the Company w.e.f close business hours on 07.01.2026.
- None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he is a director.

### BOARD MEETING

The Board meets at regular intervals to discuss and decide on various business decisions, strategies, policies and review the performance of the Company and its subsidiary and the maximum interval between any two meetings did not exceed 120 days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The Company also provides Video Conference facility, if required, for participation of the Directors at the Board/Committee Meetings.

The Board has complete access to any information within the Company. Agenda papers containing all necessary information/documents are made available to the Board/ Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions.

#### MEETING

Seven meetings of the Board were held during the financial year 2025-2026. The details of meetings and the attendance thereat are as follows:

| Sr. No. | Quarter     | Date of Meeting                     |
|---------|-------------|-------------------------------------|
| 1       | 1st Quarter | 30.05.2025                          |
| 2       | 2nd Quarter | 14.08.2025                          |
| 3       | 3rd Quarter | 14.11.2025 & 15.12.2025             |
| 4       | 4th Quarter | 07.01.2026, 14.02.2026 & 27.03.2026 |

The last Annual General Meeting was held on 30th September, 2025.

#### ATTENDANCE

Attendance at Board meetings during the year and last Annual General Meeting: -

| Sr. No. | Name of Director         | No. of Board Meetings attended | Whether attended Last AGM |
|---------|--------------------------|--------------------------------|---------------------------|
| 1       | Shri Rajesh Ranka        | 7                              | Yes                       |
| 2       | Shri Prabodh Kumar Nahar | 2                              | N.A                       |
| 3       | Shri Ram Awatar Kabra    | 5                              | Yes                       |
| 4       | Smt. Veena Jain          | 7                              | No                        |
| 5       | Smt. Ankita Jain         | 7                              | Yes                       |
| 6       | Shri Chhitar Mal Jain    | 7                              | Yes                       |
| 7       | Shri Mukesh Kumar Soni   | 7                              | Yes                       |

#### SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Shareholding of Non-Executive directors as on 31st March, 2026 are as follows:

| Sr. No. | Name of Directors      | No. of shares held | % of Paid-up Capital |
|---------|------------------------|--------------------|----------------------|
| 1       | Smt. Veena Jain        | Nil                | Nil                  |
| 2       | Smt. Ankita Jain       | Nil                | Nil                  |
| 3       | Shri Chhitar Mal Jain  | Nil                | Nil                  |
| 4       | Shri Mukesh Kumar Soni | Nil                | Nil                  |

#### Note

1. Shri Prabodh Kumar Nahar has been appointed a Whole-Time Director on 07th January, 2026
2. Shri Ram Awatar Kabra (DIN: 00945603) has been resigned as Executive Director of the Company w.e.f close business hours on 07.01.2026

#### APPOINTMENT AND MEETING OF INDEPENDENT DIRECTORS

During the financial year 2025-2026, the Independent Directors met on 30th May, 2025. The meeting was held without the presence of Executive Directors or management personnel of the Company. Such meeting was conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Act. The Independent Directors take appropriate steps to present their views to the Chairman.

Terms and Conditions of Independent Director's appointment are available on the website of the Company's at the weblink:

[https://api.modernwoollens.com/uploads/1/2023-12/terms\\_and\\_condition\\_of\\_appointment\\_of\\_independent\\_directors.pdf](https://api.modernwoollens.com/uploads/1/2023-12/terms_and_condition_of_appointment_of_independent_directors.pdf)

#### AREAS OF SKILL/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

| Name of Director         | Expertise/Skill |                |           |          |     |            |
|--------------------------|-----------------|----------------|-----------|----------|-----|------------|
|                          | Management      | Administration | Financial | Taxation | Law | Governance |
| Shri Rajesh Ranka        | ✓               | ✓              | ✓         | ✓        | ✓   | ✓          |
| Shri Prabodh Kumar Nahar | ✓               | ✓              | ✓         | ✓        | ✓   | ✓          |
| Smt. Veena Jain          | ✓               | ✓              | —         | —        | ✓   | —          |
| Smt. Ankita Jain         | ✓               | ✓              | ✓         | ✓        | ✓   | ✓          |
| Shri Chhitar Mal Jain    | ✓               | ✓              | ✓         | ✓        | ✓   | ✓          |
| Shri Mukesh Kumar Soni   | ✓               | —              | ✓         | ✓        | —   | —          |

#### FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program including the presentation from the Chairman & Managing Director providing information relating to the Company, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The details of familiarization programmes imparted to Independent Directors are available on the Company's website at the

[https://api.modernwoollens.com/uploads/1/2026-05/1778738341\\_familiarization-programme-for-independent-director-2025-26.pdf](https://api.modernwoollens.com/uploads/1/2026-05/1778738341_familiarization-programme-for-independent-director-2025-26.pdf)

### CEO/CFO CERTIFICATION

The Managing Director & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

### CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company has laid down a code of conduct for the members of the Board and senior management personnel of the Company. The said code of conduct has been posted on the Company's website, i.e. [https://api.modernwoollens.com/uploads/1/2022-02/code\\_of\\_conduct.pdf](https://api.modernwoollens.com/uploads/1/2022-02/code_of_conduct.pdf). The code of conduct has been circulated to all the members of the Board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2026. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance with the laid down ethical standards.

### INSIDER TRADING CODE

The Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons and code of practices and procedures for fair disclosures of unpublished price sensitive information ("Code") in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 and any statutory amendment(s)/modification(s) thereof.

In compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, ("Amendment Regulations"), Company has amended the Code. The Code is applicable to Directors, Employees, Designated Persons and other Connected Persons of the Company. This Code is available on the website of the Company's at the weblink: [https://modernwoollens.com/admin/public/uploads/1/2021-06/policy\\_insider\\_trading\\_mtl.pdf](https://modernwoollens.com/admin/public/uploads/1/2021-06/policy_insider_trading_mtl.pdf)

### COMMITTEES OF THE BOARD

The Board Committees are set up to carry out certain clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function within their terms of reference. The Board Committees play a pivotal role in the overall Management of day-to-day affairs and governance of the Company. The composition, terms of reference, attendance and other details of these Committees are mentioned in this Report.

The Minutes of proceedings of Committee meetings are circulated to the members and placed before Board meetings for noting. The Board has set up the following Committees:

#### (A) AUDIT COMMITTEE

The composition, role, terms of reference as well as powers of the Audit Committee of the Company are in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. All the Members of the Audit Committee are financially literate. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, besides the appointment, independence and performance of the auditors.

#### Meeting and Attendance

Five meetings of the Audit Committee were held during the financial year 2025-2026 on 30th May, 2025, 14th August, 2025, 14th November, 2025, 14th February, 2026 and 27th March, 2026.

The Composition and Attendance of the Audit Committee as on 31st March, 2026 was as follows:

| Name of Director         | Position | Category                           | No. of Meeting Held | No. of Meeting Attended |
|--------------------------|----------|------------------------------------|---------------------|-------------------------|
| Smt. Ankita Jain         | Chairman | Non-Executive Independent Director | 5                   | 5                       |
| Shri Ram Awatar Kabra    | Member   | Executive Director                 | 3                   | 3                       |
| Shri Prabodh Kumar Nahar | Member   | Whole Time Director                | 2                   | 2                       |
| Shri Chhitar Mal Jain    | Member   | Non-Executive Independent Director | 5                   | 5                       |

#### Note

- Shri Prabodh Kumar Nahar has been appointed a Whole-Time Director of the Company on 07th January, 2026.
- Shri Ram Awatar Kabra (DIN: 00945603) has been resigned as Executive Director of the Company w.e.f close business hours on 07.01.2026

#### Terms of Reference

The terms of reference of this Committee includes those specified under Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations in consonance with the provisions of Section 177 of the Act. A brief descriptions of terms of reference of the Committee inter-alia is as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 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 director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of 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 any related party transactions;
  - Modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the board for approval;

- (6) 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 the utilization of proceeds of a (public issue or rights issue or preferential issue or qualified institutions placement), and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing with the management, performance of statutory and internal auditor's adequacy of the internal control systems;
- (13) 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;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) 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;
- (16) Discussion with 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;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters/letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee
5. Statement of deviations
  - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
  - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

#### **(B) NOMINATION AND REMUNERATION COMMITTEE**

The Company has constituted the Nomination and Remuneration Committee as per provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

##### **Meeting and Attendance**

Three meetings of the Nomination and Remuneration Committee were held during the financial year 2025-2026 on 30th May, 2025, 07th January, 2026 and 14th February, 2026.

The Composition and Attendance of the Nomination and Remuneration Committee as on 31st March, 2026 was as follows:

| Name of Director       | Position | Category                           | No. of Meeting Held | No. of Meeting Attended |
|------------------------|----------|------------------------------------|---------------------|-------------------------|
| Smt. Ankita Jain       | Chairman | Non-Executive Independent Director | 3                   | 3                       |
| Shri Chhitar Mal Jain  | Member   | Non-Executive Independent Director | 3                   | 3                       |
| Shri Mukesh Kumar Soni | Member   | Non-Executive Independent Director | 3                   | 3                       |

##### **Terms of reference**

The Nomination and Remuneration Committee is responsible for:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (iii) Devising a policy on diversity of Board of Directors;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal;
- (v) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (vi) Recommend to the board, all remuneration, in whatever form, payable to senior management.

##### **Remuneration Paid to Directors**

The Executive Directors are paid remuneration in accordance with the limits prescribed under the Act and special resolution passed by the shareholders. Such remuneration is considered and approved by the Nomination and Remuneration Committee, the Board of Directors and the Shareholders of the Company. The Nomination and Remuneration Committee recommended the 'Nomination, Remuneration & Evaluation Policy' of the Company which was duly approved by the Board. Nomination, Remuneration & Evaluation Policy is available on the website of the Company's at the weblink [https://modernwoollens.com/admin/public/uploads/1/2022-02/remuneration\\_policy.pdf](https://modernwoollens.com/admin/public/uploads/1/2022-02/remuneration_policy.pdf).

The Non-Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. The details of remuneration paid to the Executive Directors and Non-Executive Director during the financial year 2025-26 are as follows:

| Rs. In Lakhs             |              |              |
|--------------------------|--------------|--------------|
| Name of Director         | Sitting fees | Gross Salary |
| Shri Rajesh Ranka        | -            | 51.60        |
| Shri Prabodh Kumar Nahar | -            | 24.93        |
| Shri Ram Awatar Kabra    | -            | 19.60        |
| Smt. Veena Jain          | 0.11         | -            |
| Smt. Ankita Jain         | 0.24         | -            |
| Shri Chhitar Mal Jain    | 0.24         | -            |
| Shri Mukesh Kumar Soni   | 0.14         | -            |

**Notes:**

- There are no stock option plans of the Company and none of the Directors have been issued any stock options during year 2025-26.
- Notice period for termination of appointment of Managing Director and other Whole-time Directors is three months on either side.
- No severance fees are payable on termination of appointment.

**PERFORMANCE EVALUATION**

The Committee reviews the performance of the individual Directors. In the Board meeting that follows the meeting of the Independent Directors and the meeting of the Committee, the performance of the Board, its Committees, and individual directors are discussed. A report on performance evaluation of the Board, its Committees and individual Directors is furnished in the Board's report.

**(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Company has constituted the Stakeholder's Relationship Committee as per provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations. The Committee consists of three directors and Smt. Ankita Jain, Independent Director is the Chairman of the Committee. Anil Kumar Jain, Company Secretary, is the Secretary of the Committee. He also acts as the Compliance Officer and Nodal Officer of the Company for the purpose of investors' complaints/grievances.

**Meeting and Attendance**

Four meetings of the Stakeholder's Relationship Committee were held during the financial year 2025-2026 on 30th May, 2025, 14th August, 2025, 14th November, 2025 and 14th February, 2026.

The Composition and Attendance of the Stakeholder's Relationship Committee as on 31st March, 2026 was as follows:

| Name of Director         | Position | Category                           | No. of Meeting Held | No. of Meeting Attended |
|--------------------------|----------|------------------------------------|---------------------|-------------------------|
| Smt. Ankita Jain         | Chairman | Non-Executive Independent Director | 4                   | 4                       |
| Shri Ram Awatar Kabra    | Member   | Executive Director                 | 3                   | 3                       |
| Shri Prabodh Kumar Nahar | Member   | Whole Time Director                | 1                   | 1                       |
| Shri Chhitar Mal Jain    | Member   | Non-Executive Independent Director | 4                   | 4                       |

**Note**

- Shri Prabodh Kumar Nahar has been appointed a Whole-Time Director of the Company on 07th January, 2026.
- Shri Ram Awatar Kabra (DIN: 00945603) has been resigned as Executive Director of the Company w.e.f close business hours on 07.01.2026

The Committee look into the redressal of investors complaints like share transfers, non-receipt of annual reports, issue of duplicate share certificate, transfer and transmission of shares and other allied transactions. The terms of reference of the Stakeholders' Relationship Committee of the Company include the following:

- To Resolve the grievances of the security holders of the Company, including complaints related to the transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends; issue of new/duplicate certificates, general meetings etc.
- To review the measures taken for effective exercise of voting rights by shareholders.
- To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Beetal Financial Computer Services Pvt. Ltd. attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

**Status of Investor Complaints**

Number of complaints received and resolved to the satisfaction of Shareholders/Investors during the FY 2025-26 and their break-up is as under:

| Particular                                             | Number |
|--------------------------------------------------------|--------|
| No. of complaints pending at the beginning of the year | 0      |
| No. of complaints received during the year             | 14     |
| No. of complaints resolved during the year             | 14     |
| No. of complaints pending at the end of the year       | 0      |

**Policy for Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace**

Our Company has a policy and framework for employees to report sexual harassment cases at work place and our process ensures complete anonymity and confidentiality of information. The below table provides details of complaints received/disposed during the financial year 2025-26:

| Particular                                             | Number |
|--------------------------------------------------------|--------|
| No. of complaints pending at the beginning of the year | Nil    |
| No. of complaints received during the year             | Nil    |
| No. of complaints resolved during the year             | Nil    |
| No. of complaints pending at the end of the year       | Nil    |

**SCORES (SEBI Complaints Redressal System):**

SEBI processes investor complaints in a centralized web-based complaints redressal system i.e. SCORES. Through this system a shareholders can lodge complaint against a Company/RTA for his grievance. The Company/RTA uploads the action taken on the complaint which can be viewed by the shareholder. The Company and Shareholder can seek and provide clarifications online through SEBI.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board of Directors has constituted Corporate Social Responsibility ("CSR") Committee as required under Section 135 of the Act. The role of the Committee is to formulate and recommend to the Board, a CSR policy, recommend the amount of expenditure to be incurred on activities and monitor CSR Policy.

**Meeting and Attendance**

Two meetings of the CSR Committee were held during the financial year 2025-2026 on 30th May, 2025 and 14th February, 2026.

The Composition and Attendance of the CSR Committee as on 31st March, 2026 was as follows:

| Name of Director      | Position | Category                           | No. of Meeting Held | No. of Meeting Attended |
|-----------------------|----------|------------------------------------|---------------------|-------------------------|
| Shri Rajesh Ranka     | Chairman | Chairman & Managing Director       | 2                   | 2                       |
| Smt. Ankita Jain      | Member   | Non-Executive Independent Director | 2                   | 2                       |
| Shri Chhitar Mal Jain | Member   | Non-Executive Independent Director | 2                   | 2                       |

The Company formulated CSR Policy, which is uploaded on the website of the Company at the weblink: [https://modernwoollens.com/admin/public/uploads/1/2022-02/corporate\\_social\\_responsibility\\_policy.pdf](https://modernwoollens.com/admin/public/uploads/1/2022-02/corporate_social_responsibility_policy.pdf)

**GENERAL BODY MEETINGS**
**General Meeting**

(a) Details of location and time of holding the last three Annual General Meeting:

| General Body Meeting | Day, Date                      | Time       | Venue                                                      | Detail of Special Resolution passed                                                                                                                                                                                                                                             |
|----------------------|--------------------------------|------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 42nd AGM-2023        | Saturday, 30th September, 2023 | 01.00 P.M. | Modern Woollens, Pragati Path, Near Bhilwara-311001 (Raj.) | To approve increase in remuneration of Shri Rajesh Ranka (DIN : 03438721), Chairman and Managing Director of the Company.                                                                                                                                                       |
| 43rd AGM-2024        | Monday, 30th September, 2024   | 11.00 P.M. | Modern Woollens, Pragati Path, Bhilwara-311001 (Raj.)      | To alter of Object Clause of the Memorandum of Association of the Company.                                                                                                                                                                                                      |
| 44th AGM-2025        | Tuesday, 30th September, 2025  | 11.00 A.M. | Modern Woollens, Pragati Path, Bhilwara-311001 (Raj.)      | -Re-appointment and Payment of Remuneration of Shri Rajesh Ranka (DIN: 03438721) as Chairman and Managing Director of the Company.<br>-Contribution of funds to Bonafide Charitable or other funds, in excess of the Limit laid down in section 181 of the Companies Act, 2013. |

(b) Whether any special resolution passed last year through postal ballot - details of voting pattern - yes special resolutions were passed during the Financial Year 2025-26 through postal ballot:

During the year under review, the company passed a resolution through postal ballot on March 27, 2026, for appointment of Mr. Prabodh Kumar Nahar (DIN:11457800) as an Whole-time Director of the Company. M/s R.K. Jain & Associates, Practicing Companies Secretaries are appointed as Scrutinizer of the postal ballot exercise.

(c) No Extra-Ordinary General Meeting was conducted during the financial year 2025-26.

(d) Whether any special resolution is proposed to be conducted through postal ballot - yes

**MEANS OF COMMUNICATION**

- I. Annual Reports, notice of the meetings and other communications to the Members are sent through e-mail, post or courier. However, this year as per the directions given in the circulars issued by Ministry Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") the companies are allowed to send Annual Report by e-mail to all the Members of the company. Therefore, the Annual Report for FY 2025-26 and Notice of 45th AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.
- II. The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter.
- III. The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local newspaper, within forty-eight hours of approval thereof.
- IV. The Company's financial result is displayed on the Company's website- [www.modernwoollens.com](http://www.modernwoollens.com).
- V. Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- VI. A separate dedicated section under "Investors Relation", on the Company's website gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public.

**BSE LISTING CENTRE**

BSE Limited has launched an Online Portal - BSE Corporate Compliance & Listing Centre (the "Listing Centre") for submission of various filings by listed companies. All disclosures and periodic filings submitted to the BSE are also uploaded on the Listing Centre.

**NSE Electronic Application Processing System (NEAPS)**

The Company also files information through NEAPS-a web based application and NSE-frontend navigation provided by NSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern by companies, Results and other disclosures.

**Extensive Business Reporting Language (XBRL)**

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated 7th June, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

**Ministry of Corporate Affairs (MCA)**

The Company has periodically filed all the necessary documents with the MCA.

**Annual Report**

The Annual Report containing inter alia the Audited Financial Statements, Board's Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and Analysis is forms part of the Annual Report. Pursuant to the Green Initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same.

The Annual Reports is also available in the Investor Relations section on the Company's website [www.modernwoollens.com](http://www.modernwoollens.com).

**GENERAL SHAREHOLDER INFORMATION**

|                                                                               |                                                                                                                                   |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>A 45th Annual General Meeting</b>                                          |                                                                                                                                   |
| - Date and Time                                                               | 30th September, 2026 at 10.00 A.M.                                                                                                |
| - Venue                                                                       | Modern Woollens, Pragati Path, Bhilwara-311001 (Raj.)                                                                             |
| - Last date for receipt of Proxy Forms                                        | 28th September, 2026 before 1:00 p.m.                                                                                             |
| <b>B Financial Calendar</b>                                                   | 2025-26                                                                                                                           |
| <b>C Book closure date</b>                                                    | Thursday, 24th September, 2026 to Wednesday, 30th September, 2026 (both days inclusive)                                           |
| <b>D The listing fee has been paid up to date, to all the Stock Exchanges</b> | Yes                                                                                                                               |
| <b>Bombay Stock Exchange Ltd. (BSE)</b>                                       | BSE Limited, Phiroze Jeejeebhoy, Towers, Dalal Street, Mumbai- 400001                                                             |
| i. Scrip code                                                                 | 500282                                                                                                                            |
| ii. Trading symbol                                                            | MODTHREAD                                                                                                                         |
| <b>National Stock Exchange of India Ltd. (NSE)</b>                            | National Stock Exchange of India, Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 |
| Trading symbol                                                                | MODTHREAD                                                                                                                         |
| <b>E Demat ISIN Numbers in NSDL &amp; CDSL</b>                                | INE794W01014                                                                                                                      |
| <b>F Dividend Payment Date</b>                                                | The final dividend, if declared, shall be paid/credited on October 04, 2026                                                       |

**Dividend**

No dividend being recommended by the Board during the year under review.

**Stock Market Data**

The reported high and low prices of equity shares of Modern Threads (India) Limited traded during Financial Year 2025-2026 on BSE Limited and NSE are set out in the following table:

| Month           | BSE Limited |       | National Stock Exchange of India Limited |       |
|-----------------|-------------|-------|------------------------------------------|-------|
|                 | High        | Low   | High                                     | Low   |
| April, 2025     | 45.47       | 33.15 | 45.75                                    | 31.35 |
| May, 2025       | 53.00       | 37.00 | 52.53                                    | 36.61 |
| June, 2025      | 51.03       | 43.27 | 49.15                                    | 41.50 |
| July, 2025      | 54.50       | 43.24 | 54.39                                    | 42.79 |
| August, 2025    | 61.99       | 45.00 | 62.00                                    | 41.00 |
| September, 2025 | 61.50       | 43.21 | 61.50                                    | 42.00 |
| October, 2025   | 49.30       | 44.00 | 49.64                                    | 44.30 |
| November, 2025  | 52.90       | 43.63 | 49.30                                    | 43.58 |
| December, 2025  | 50.55       | 42.01 | 51.00                                    | 43.00 |
| January, 2026   | 48.20       | 40.00 | 48.00                                    | 38.28 |
| February, 2026  | 46.32       | 41.06 | 45.96                                    | 40.11 |
| March, 2026     | 56.17       | 36.00 | 57.80                                    | 35.61 |

**Share Transfer System**

The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. The Board of Directors of the Company has delegated the power of share transfer to Share Transfer Committee. As on date all the work related to the shares both held in physical and electronic form is handled by RTA. All correspondences are to be directed to the RTA address. The correspondences may also be sent at the Company's address which will be sent by the Company to RTA. In compliance with the listing guidelines, every six months the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him.

**(i) Distribution of Shareholding as on 31st March, 2026**

| Category Range - Shares | Shareholders  |                | Shareholding     |                 |
|-------------------------|---------------|----------------|------------------|-----------------|
|                         | Number        | Percentage     | Number of Shares | Percentage      |
| Up to 5000              | 134216        | 99.469         | 5462319          | 15.7075         |
| 5001-10000              | 449           | 0.333          | 339827           | 0.9772          |
| 10001-20000             | 159           | 0.118          | 235229           | 0.6764          |
| 20001-30000             | 30            | 0.022          | 78766            | 0.2265          |
| 30001-40000             | 18            | 0.013          | 64186            | 0.1846          |
| 40001-50000             | 11            | 0.008          | 49497            | 0.1423          |
| 50001-1,00,000          | 18            | 0.013          | 120179           | 0.3456          |
| 1,00,001 and above      | 32            | 0.024          | 28425157         | 81.7398         |
| <b>TOTAL</b>            | <b>134933</b> | <b>100.000</b> | <b>34775160</b>  | <b>100.0000</b> |

**Shareholding Pattern as on 31st March, 2026**

| S. No | Category                                                      | No. of Shares held | Shareholding (%) |
|-------|---------------------------------------------------------------|--------------------|------------------|
| 1     | Promoter & Promoter Group                                     | 22660889           | 65.16            |
| 2     | Foreign Institution Investors                                 | 436900             | 1.26             |
| 3     | Mutual Funds                                                  | 16068              | 0.05             |
| 4     | Financial Institutions/Banks                                  | 3415405            | 9.82             |
| 5     | Insurance Companies                                           | 290234             | 0.83             |
| 6     | NRIs                                                          | 140858             | 0.41             |
| 7     | Individuals including HUF                                     | 6612133            | 19.01            |
| 8     | Bodies Corporates                                             | 1202570            | 3.46             |
| 9     | Other including Clearing Member and Unclaimed/Suspense/Escrow | 103                | 0.00             |
|       | <b>Total</b>                                                  | <b>34775160</b>    | <b>100.00</b>    |

**Dematerialization of shares and liquidity**

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder. Shares of the Company are traded in electronic form. About 77.04% of the shares holdings have already been dematerialized. Shares of the Company are actively traded in BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and have reasonably good liquidity.

**Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

During the year under review, the Company has not issued any GDRs/ADRs/Warrants or any other instrument which is convertible into Equity Shares of the Company.

**Commodity Risk or Foreign Exchange Risk and Hedging activities**

Disclosures on risks are forming part of this Annual Report during the period under review.

**Office and Works****Registered Office**

Modern Woollens, Pragati Path, Bhilwara - 311 001 (Raj.) Ph.: +91 1482 241801

E-mail: [cs@modernwoollens.com](mailto:cs@modernwoollens.com), website: [www.modernwoollens.com](http://www.modernwoollens.com)

**Plant Location**

(i) Woollen Division, Pragati Path, Bhilwara-311001 (Rajasthan)

(ii) Yarn Division, Village -Raila, Shahpura -311024 (Rajasthan)

**Address for Correspondence of RTA**

M/S Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd floor, 99, Madangir

Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 062 Tele- 011-2996 1281/82

Fax: 011-29961284

**Shareholders may also contact to:**

The Company Secretary & Compliance officer

Modern Threads (India) Limited

Unit : Modern Woollens,

Pragati Path, Bhilwara - 311 001 (Rajasthan)

Phone :01482-241801 Fax : 01482-297924

Email :[cs@modernwoollens.com](mailto:cs@modernwoollens.com)

**OTHER DISCLOSURE****Related Party Transaction:**

There were no materially significant transactions with related parties during the year under review, which were in conflict with the interest of the Company. All the transactions entered into by the Company with Related Parties during the year under review were at arms-length basis and in ordinary course of business. Suitable disclosure required under the Accounting Standard (Ind AS 24) have been made in the notes to the Financial Statement.

As required under Regulation 23 of SEBI (LODR) Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions which is available on the website of the Company at the weblink:

[https://modernwoollens.com/admin/public/uploads/1/2025-05/policy\\_on\\_related\\_party\\_transactions\\_2025.pdf](https://modernwoollens.com/admin/public/uploads/1/2025-05/policy_on_related_party_transactions_2025.pdf)

**Policy for Determining Material Subsidiaries:**

The Company has adopted policy for determining material subsidiaries in compliance of the provisions of Regulation 16(1)(c) of the Listing Regulations and is available on the web link [https://modernwoollens.com/admin/public/uploads/1/2022-02/policy\\_for\\_determining\\_material\\_subsidary.pdf](https://modernwoollens.com/admin/public/uploads/1/2022-02/policy_for_determining_material_subsidary.pdf).

**Statutory Compliance, Penalties and Strictures:**

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years.

**Vigil Policy (Whistle Blower Policy):**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. A copy of policy is also uploaded on the website of the Company at the weblink: [https://modernwoollens.com/admin/public/uploads/1/2022-02/vigil\\_mechanism\\_policy.pdf](https://modernwoollens.com/admin/public/uploads/1/2022-02/vigil_mechanism_policy.pdf).

**Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**Details of Compliance with Mandatory Requirements:**

The Company has complied with all mandatory requirements laid down under the Listing Regulation.

**A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**

The Certificate of Company Secretary in practice is annexed herewith as a part of the report

**Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**  
**Not Applicable**

**Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Notes to the Financial Statements.

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

The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2026 is given in this Report.

**Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:**

The Board has accepted all the recommendations of the Audit Committee.

**Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/ companies in which Directors are interested by name and amount: N.A.**

**DECLARATION BY THE CEO UNDER REGULATION 26(3) READ WITH PARA D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT**

Pursuant to sub-regulation (3) of Regulation 26 read with Para D of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance to their respective Code of Conduct, as applicable to them for the Financial Year ended 31st March, 2026.

**For and on behalf of the Board of Directors**

**Modern Threads (India) Limited**

(Rajesh Ranka)

Managing Director & CEO

DIN: 03438721

Place: Bhilwara

Date: 30th May, 2026

**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,  
**Modern Threads (India) Limited**  
 Modern Woollens, Pragati Path,  
 Bhilwara-311001, Rajasthan

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Modern Threads (India) Limited** having **CIN: L17115RJ1980PLC002075** and having registered office at **Modern Woollens, Pragati Path, Bhilwara, Rajasthan, India, 311001** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

| Sr. No | Name of the Directors | Director Identification Number (DIN) | Date of appointment in the Company |
|--------|-----------------------|--------------------------------------|------------------------------------|
| 1      | Rajesh Ranka          | 03438721                             | 22/09/2011                         |
| 2      | *Ram Awatar Kabra     | 00945603                             | 19/11/2021                         |
| 3      | Veena Jain            | 07148606                             | 18/06/2015                         |
| 4      | Prabodh Kumar Nahar   | 11457800                             | 07/01/2026                         |
| 5      | Ankita Jain           | 09598249                             | 01/07/2022                         |
| 6      | Chhitar Mal Jain      | 09566506                             | 01/07/2022                         |
| 7      | Mukesh Kumar Soni     | 10804913                             | 14/06/2024                         |

\*Mr. Ram Awatar Kabra was Resigned as Whole Time-Director w.e.f 07th January, 2026.

\*Mr. Prabodh Kumar Nahar (DIN: 11457800) was Appointed as Whole-time director w.e.f 07th January 2026.

The eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

This certificate is based on the information and records available up to this date and I have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For R.K. Jain & Associates  
 Practicing Company Secretaries  
 Peer Review No.1361/2021

R K Jain  
 Proprietor  
 FCS : 4584  
 COP : 5866

UDIN: F004584H000548853

Place : Bhilwara  
 Date : 30.05.2026

### CERTIFICATE ON CORPORATE GOVERNANCE

(Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
Modern Threads (India) Limited  
Modern Woollens, Pragati Path,  
Bhilwara-311001 (Rajasthan)

I have examined the compliance of the conditions of Corporate Governance by Modern Threads (India) Limited ("the Company") for the year ended on 31st March, 2026 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For R.K. Jain & Associates**  
Practicing Company Secretaries  
Peer Review Certificate No. 1361/2021

**R K Jain**  
Proprietor  
FCS: 4584  
COP: 5866

Date: 30.05.2026  
Place: Bhilwara

UDIN: F004584H000548963

### CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO)

The Board of Directors  
Modern Threads (India) Limited  
Modern Woollens, Pragati Path,  
Bhilwara -311 001 (Rajasthan)

- A. We have reviewed financial statements and the cash flow statement for the financial year ending 31st March, 2026 and that to the best of our knowledge and belief :
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the listed entity'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 listed entity during the year which are fraudulent, illegal or violative of the listed entity code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps 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 year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**For Modern Threads (India) Limited**

Place : Bhilwara  
Date : 30/05/2026

Prabodh Kumar Nahar  
Whole Time Director & CFO  
DIN 11457800

Rajesh Ranka  
Chairman & Managing Director  
DIN: 03438721

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MODERN THREADS (INDIA) LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Qualified Opinion

We have audited the accompanying standalone financial statements of MODERN THREADS (INDIA) LIMITED ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect/possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

##### Basis for Qualified Opinion

- (i) The company has not provided for Interest (Dividend) on cumulative redeemable preference shares amounting to Rs. 36.13 Lakhs for the year (Rs. 1083.87 Lakhs upto 31.03.2026) as the company is in process of settlement of remaining redeemable preference share capital. (Note No.17.2b)
- (ii) Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any. (Note No. 16.1

and 9.1). In opinion of the management, impact if any, is not ascertainable.

Our audit opinion for the year ended 31st March, 2025 was also modified in respect of the above matters.

Had the impact of above qualification in Para (i), without considering Para (ii) for which impact could not be determined, been considered, the total comprehensive income for the year would have been Rs.1323.45 Lakhs as against reported total comprehensive income of Rs.1359.58 Lakhs and other equity would have been Rs.10070.26 Lakhs as against the reported figure of Rs.11154.13 Lakhs and Other Current financial liabilities would have been Rs.3655.50 lakhs as against reported figure of Rs.2571.63 Lakhs.

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

##### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31st March, 2026. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How the Key Audit Matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p>1. Accounting and Valuation of Derivative Financial Instruments (Futures &amp; Options)</p> <p>The Company actively trades in derivative financial instruments, including equity, currency, and commodity futures and options. These instruments are measured at fair value through profit or loss (FVTPL) in accordance with Ind AS 109.</p> <p>During the financial year, the accounting, valuation, and volume of these transactions involved:</p> <ul style="list-style-type: none"> <li>Significant volume and frequency of high-value trades requiring robust internal processing systems.</li> <li>Compliance with exchange margining requirements, daily mark-to-market (MTM) settlements, and strict regulatory provisions.</li> <li>Appropriate recognition and classification of realized gains and losses in the Statement of Profit and Loss.</li> </ul> <p>While there were no outstanding derivative contracts as of the balance sheet date, the sheer volume of transactions and the financial impact of realized trading gains/losses during the year required significant auditor attention. Therefore, this area was considered a Key Audit Matter. (Refer Note No. 22)</p> | <p>Our audit procedures in respect of this area included, but were not limited to, the following:</p> <ol style="list-style-type: none"> <li><b>Understanding and Testing Internal Controls:</b> <ul style="list-style-type: none"> <li>Evaluated the design and implementation of internal controls over trading authorizations, deal executions, recording, and margin management.</li> <li>Tested the operating effectiveness of key automated and manual controls relating to trade matching and real-time ledger records.</li> </ul> </li> <li><b>Transaction Verification and Testing:</b> <ul style="list-style-type: none"> <li>Verified a sample of derivative trades executed during the year against trade confirmations, contract notes, and independent broker statements to ensure accuracy and authorization.</li> </ul> </li> <li><b>Completeness and Cutoff Verification:</b> <ul style="list-style-type: none"> <li>Obtained and reviewed period-end broker ledger accounts and exchange reports to verify that all contracts open during the year were fully closed out, confirming that zero positions remained outstanding on the balance sheet date.</li> <li>Tested realized profit and loss calculations on closed contracts by comparing trade execution prices against exchange-published settlement data.</li> </ul> </li> <li><b>Margin and Settlement Reconciliation:</b> <ul style="list-style-type: none"> <li>Reconciled daily MTM margin cash flows and initial margin deposits with broker statements to confirm accurate realization and accounting of settlements.</li> </ul> </li> <li><b>Analytical Procedures:</b> <ul style="list-style-type: none"> <li>Performed analytical reviews of trading volumes and yield trends against market movements during the year to ensure the reasonableness of reported trading profits/losses.</li> </ul> </li> </ol> |

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| <p><b>2. Inventory Valuation and Existence</b></p> <p>The Company's inventories comprise raw materials, work-in-process, finished goods, stores and spares aggregating to ₹9,912.11 lakhs as at 31 March 2026.</p> <p>Inventory valuation is considered a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of inventory balances to the Standalone Financial Statements and the judgment involved in determining the cost and net realisable value (NRV) of inventories.</li> <li>• The valuation of work-in-process and finished goods involves allocation of material, labour and manufacturing overheads. Further, determination of NRV requires management to assess prevailing and expected market prices of wool and PV yarn products and estimated costs necessary to make the sale.</li> <li>• The physical existence of inventory and valuation of goods in transit also required significant audit attention.</li> </ul> <p>Accordingly, inventory valuation and existence was considered to be a matter of most significance in our audit of the Standalone Financial Statements. (Refer Note No. 8)</p> | <p><b>6. Disclosure Review:</b></p> <ul style="list-style-type: none"> <li>• Examined the financial statements to ensure that information concerning derivative activities during the year complied with the presentation and disclosure requirements of Ind AS 107, Ind AS 109, and Schedule III.</li> </ul> <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding and evaluated the design and implementation of controls relating to inventory recording, valuation and physical verification.</li> <li>• Attended the physical verification of inventories conducted by management at selected locations on a sample basis and evaluated the procedures and controls followed during such verification.</li> <li>• Tested inventory quantities on a sample basis by reconciling physical verification records with inventory records.</li> <li>• Evaluated the costing methodology adopted by the Company and assessed its consistency with previous years and applicable accounting standards.</li> <li>• Tested, on a sample basis, the valuation of raw materials, work-in-process and finished goods, including verification of material costs, labour costs and allocation of manufacturing overheads.</li> <li>• Evaluated management's assessment of net realisable value by comparing carrying values with subsequent sales, market prices and other available evidence.</li> <li>• Assessed whether any slow-moving, obsolete or damaged inventory items had been appropriately identified by the management and written down to net realisable value.</li> </ul> <p>" Verified inventories in transit with supporting purchase documents and subsequent receipt records.</p> <p>" Assessed the adequacy and appropriateness of disclosures relating to inventories in the Standalone Financial Statements with reference to the requirements of Ind AS 2 and Schedule III to the Companies Act, 2013.</p> |
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**Information Other than the Standalone Financial Statements and Auditor's report thereon ("Other Information")**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance, and take necessary actions, as applicable under the relevant laws and regulations.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial

controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional 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 standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and except for the effects/possible effects of the matters described in the basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the effects/possible effects of the matters described in the basis for qualified opinion paragraph above.
  - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. Except for the effects/possible effects of the matters described in the basis for qualified opinion paragraph above, In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e. On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. The qualification and other matters connected therewith are as stated in the 'Basis for Qualified Opinion' paragraph.
  - g. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
 In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31st March 2026 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements;
    - ii. The Company did not have any long term contracts including derivative, contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended on 31st March, 2026. (Refer Note 17.1)
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
 (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
 (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
    - v. The company has not declared or paid any dividend during the FY 2025-26. Hence, the provisions of section 123 of Companies Act, 2013 does not apply.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at database level of accounting software to log any direct changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of Accounting Software and the audit

trail has been preserved by the company as per the statutory requirements for record retention.

**For S.S. Surana & Co.**  
Chartered Accountants  
Firm Registration No. 001079C

**Prahalad Gupta**  
(Partner)

Membership No. 074458

UDIN : 26074458ACNARQ1996

Place : Bhilwara

Date : 30/05/2026

## **ANNEXURE - A FORMING PART OF THE INDEPENDENT AUDITOR'S REPORT OF MODERN THREADS (INDIA) LIMITED**

Referred to in paragraph under the heading of "Report on other Legal & Regulatory Requirements" of our report of even date to the Members of Modern Threads (India) Limited on the Standalone financial statement as at and for the year ended March 31, 2026;

| (i)                                                                                                                    | (a)                                                                                                                                                                                                                                               | (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital work-in-progress and relevant details of right-of-use assets.<br>(B) The company has maintained proper records showing full particulars of intangible assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                |                                                          |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
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|                                                                                                                        | (b)                                                                                                                                                                                                                                               | The company has a programme for physical verification of Property, Plant and Equipment, Capital work in progress and right-of-use assets so as to cover all items in a phased manner over a period of 3 years. In our opinion, the frequency of verification is reasonable, considering the size of the company and nature of its assets. Pursuant to the program, physical verification has been carried out during the year and no material discrepancies have been noticed on such verification except for furniture & fixtures for which detailed records are not maintained.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                |                                                          |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
|                                                                                                                        | (c)                                                                                                                                                                                                                                               | According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of 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) are held in the name of the Company except for the following:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                |                                                          |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
|                                                                                                                        |                                                                                                                                                                                                                                                   | <table><thead><tr><th>Description of Property</th><th>Gross Carrying Value</th><th>Held in name of</th><th>Whether promoter, director or their relative or employee</th><th>Period Held Since</th><th>Reasons for not being in the name of the company</th></tr></thead><tbody><tr><td>Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara</td><td>92.25</td><td>Sunil Textiles Mills Pvt. Ltd.</td><td>No</td><td>21.10.1994</td><td>Sunil Textile Mill Pvt Ltd. has been amalgamated with Modern Threads India Ltd. Vide order of high court dated 21.10.1994</td></tr><tr><td>Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara</td><td>125.00</td><td>Modern Woollens Pvt. Ltd.</td><td>No</td><td>21.10.1994</td><td>Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994</td></tr><tr><td>Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara</td><td>7.50</td><td>Modern Woollen Mill (Firm)</td><td>No</td><td>21.10.1994</td><td>Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994</td></tr><tr><td>Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara</td><td>43.77</td><td>Modern Woollens Ltd.</td><td>No</td><td>21.10.1994</td><td>Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994</td></tr><tr><td>Freehold land at Ahmedabad</td><td>12.66</td><td>Modern Woollens Ltd.</td><td>No</td><td>21.10.1994</td><td>Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994</td></tr></tbody></table> | Description of Property        | Gross Carrying Value                                     | Held in name of                                                                                                                                                                                                                                                             | Whether promoter, director or their relative or employee                                                                                                                                                                             | Period Held Since | Reasons for not being in the name of the company | Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara | 92.25 | Sunil Textiles Mills Pvt. Ltd. | No | 21.10.1994 | Sunil Textile Mill Pvt Ltd. has been amalgamated with Modern Threads India Ltd. Vide order of high court dated 21.10.1994 | Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara | 125.00 | Modern Woollens Pvt. Ltd. | No | 21.10.1994 | Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994 | Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara | 7.50 | Modern Woollen Mill (Firm) | No | 21.10.1994 | Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994 | Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara | 43.77 | Modern Woollens Ltd. | No | 21.10.1994 | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994 | Freehold land at Ahmedabad | 12.66 | Modern Woollens Ltd. | No | 21.10.1994 | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994 |
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|                                                                                                                        | Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara                                                                                                                                                    | 92.25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Sunil Textiles Mills Pvt. Ltd. | No                                                       | 21.10.1994                                                                                                                                                                                                                                                                  | Sunil Textile Mill Pvt Ltd. has been amalgamated with Modern Threads India Ltd. Vide order of high court dated 21.10.1994                                                                                                            |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
|                                                                                                                        | Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara                                                                                                                                                                            | 125.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Modern Woollens Pvt. Ltd.      | No                                                       | 21.10.1994                                                                                                                                                                                                                                                                  | Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994 |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
| Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara                                                        | 7.50                                                                                                                                                                                                                                              | Modern Woollen Mill (Firm)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | No                             | 21.10.1994                                               | Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994 |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
| Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara | 43.77                                                                                                                                                                                                                                             | Modern Woollens Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No                             | 21.10.1994                                               | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994                                                                                                               |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
| Freehold land at Ahmedabad                                                                                             | 12.66                                                                                                                                                                                                                                             | Modern Woollens Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No                             | 21.10.1994                                               | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. under the scheme of Reconstruction/ arrangement Vide order of high court dated 21.10.1994                                                                                                               |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
| (d)                                                                                                                    | The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                |                                                          |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
| (e)                                                                                                                    | No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                |                                                          |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
| (ii)                                                                                                                   | (a)                                                                                                                                                                                                                                               | The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                |                                                          |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |
|                                                                                                                        | (b)                                                                                                                                                                                                                                               | According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets and the company is required to file quarterly return/ statements with UCO Bank and difference between statements and books of account is given below:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                |                                                          |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                      |                   |                                                  |                                                                                                |       |                                |    |            |                                                                                                                           |                                                                        |        |                           |    |            |                                                                                                                                                                                                                                      |                                                                 |      |                            |    |            |                                                                                                                                                                                                                                                                             |                                                                                                                        |       |                      |    |            |                                                                                                                                                               |                            |       |                      |    |            |                                                                                                                                                               |



|         |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (ix)    | (a) | In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender during the year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|         | (b) | According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has been declared willful defaulter by banks and Financial Institutions upto 31/03/2010. However, there are no dues of those banks/ FIs as on balance sheet date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|         | (c) | The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence reporting under clause 3(ix)(c) of the order is not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|         | (d) | On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|         | (e) | On an overall examination of the standalone financial statements of the Company and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The company does not have any joint ventures or associates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|         | (f) | The Company has not raised loans during the year on pledge of securities held in its subsidiaries. The company does not have any, joint ventures or associates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (x)     | (a) | The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|         | (b) | During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (xi)    | (a) | Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|         | (b) | No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|         | (c) | According to the information and explanations given to us and based on our examination of records, No whistle-blower complaints were received by the company during the year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (xii)   |     | The Company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| (xiii)  |     | According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| (xiv)   | (a) | In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|         | (b) | We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining, nature, timing and extent of our audit procedure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (xv)    |     | According to the information and explanations given to us and based on our examination of records of the company, the company has not entered into any non cash transaction prescribed under section 192 of the Companies Act, 2013 with the directors or person connected with them during the year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (xvi)   | (a) | The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|         | (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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|         | (c) | The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|         | (d) | According to the information and explanations provided to us during the course of audit, the Group does not have any CIC which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (xvii)  |     | The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (xviii) |     | There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under this clause 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 standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. |
| (xx)    |     | According to the information and explanations given to us and based on our audit procedures, there was no unspent Corporate Social Responsibility (CSR) amount required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with the second proviso to Section 135(5) of the Act. Further, there was no amount remaining unspent in respect of any ongoing project requiring transfer to a special account in compliance with Section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company for the year under audit.                                                                                                                                                                                                                                                                                                                                                                                                             |
| (xxi)   |     | The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of these standalone financial statements and hence no comment in respect of said clause has been included in this report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

**For S.S. Surana & Co.**  
 Chartered Accountants  
 Firm Registration No. 001079C

**Prahalad Gupta**  
 (Partner)

Membership No. 074458  
 UDIN : 26074458ACNARQ1996

Place : Bhilwara  
 Date : 30/05/2026

## **Annexure –B to the Independent Auditor’s Report on Standalone Financial Statements of Modern Threads (India) Limited**

Referred to in paragraph 2(g) under the heading of "Report on other Legal & Regulatory Requirements" of our report of even date to the Members of Modern Threads (India) Limited on the standalone financial statement as at and for the year ended March 31, 2026;

### **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls with reference to standalone financial statements**

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally

accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

#### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

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

#### **Basis of Qualified Opinion**

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at March 31, 2026:

1. The company's internal financial controls were not operating effectively in respect of balance confirmation of trade payables and trade receivables. Material weakness is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual standalone financial statements will not be prevented or detected on a timely basis.

#### **Qualified Opinion**

In our opinion, except for the possible effects of matters described in Basis of Qualified Opinion above and on the achievement of the objectives of control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2026 and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the Standalone Financial Statements.

**For S.S. Surana & Co.**

Chartered Accountants

Firm Registration No. 001079C

**Prahalad Gupta**

(Partner)

Membership No. 074458

UDIN : 26074458ACNARQ1996

Place : Bhilwara

Date : 30/05/2026

# STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2026

CIN NO. L17115RJ1980PLC002075

[₹ in Lakhs]

| Particulars                                                                                | Note No. | As at<br>31.03.2026 | As at<br>31.03.2025 |
|--------------------------------------------------------------------------------------------|----------|---------------------|---------------------|
| <b>ASSETS</b>                                                                              |          |                     |                     |
| <b>1 Non-Current Assets</b>                                                                |          |                     |                     |
| a Property, Plant and Equipment                                                            | 3A       | 4,917.33            | 4,470.27            |
| b Capital Work-in-progress                                                                 | 3B       | 865.52              | 500.96              |
| c Right Of Use Asset                                                                       | 3C       | 434.17              | 437.37              |
| d Other Intangible assets                                                                  | 3D       | -                   | -                   |
| e Financial Assets                                                                         |          |                     |                     |
| i Investment in Subsidiary                                                                 | 4A       | 0.00                | -                   |
| ii Other Investments                                                                       | 4B       | 0.48                | 0.48                |
| iii Loans                                                                                  | 5        | 45.06               | -                   |
| iv Other Financial assets                                                                  | 6        | 1,040.45            | 681.69              |
| f Other non-current assets                                                                 | 7        | 268.86              | 288.50              |
| <b>Total Non-current Assets (A)</b>                                                        |          | <b>7,571.87</b>     | <b>6,379.27</b>     |
| <b>2 Current Assets</b>                                                                    |          |                     |                     |
| a Inventories                                                                              | 8        | 9,912.11            | 7,659.16            |
| b Financial Assets                                                                         |          |                     |                     |
| i Investments                                                                              | 4B       | 1,999.52            | 2,832.96            |
| ii Trade Receivables                                                                       | 9        | 4,703.46            | 4,686.98            |
| iii Cash and Cash Equivalents                                                              | 10       | 420.30              | 86.71               |
| iv Bank Balances other than iii above                                                      | 11       | 11.59               | 94.66               |
| v Other Financial Assets                                                                   | 6        | 51.74               | 55.43               |
| c Income Tax Assets                                                                        | 12       | 4.35                | 9.68                |
| d Other Current Assets                                                                     | 7        | 864.44              | 758.10              |
| <b>Total Current Assets (B)</b>                                                            |          | <b>17,967.51</b>    | <b>16,183.68</b>    |
| <b>Total Assets (A+B)</b>                                                                  |          | <b>25,539.38</b>    | <b>22,562.95</b>    |
| <b>EQUITY AND LIABILITIES</b>                                                              |          |                     |                     |
| <b>Equity</b>                                                                              |          |                     |                     |
| a Equity Share Capital                                                                     | 13       | 3,477.52            | 3,477.52            |
| b Other Equity                                                                             | 14       | 11,154.13           | 9,794.55            |
| <b>Total Equity (A)</b>                                                                    |          | <b>14,631.65</b>    | <b>13,272.07</b>    |
| <b>Liabilities</b>                                                                         |          |                     |                     |
| <b>1 Non Current Liabilities</b>                                                           |          |                     |                     |
| a Financial Liabilities                                                                    |          |                     |                     |
| i Borrowings                                                                               | 15       | -                   | -                   |
| ii Lease Liabilities                                                                       | 34       | 1.00                | 1.03                |
| b Provisions                                                                               | 19       | 362.78              | 399.05              |
| <b>Total Non Current Liabilities (B)</b>                                                   |          | <b>363.78</b>       | <b>400.08</b>       |
| <b>2 Current Liabilities</b>                                                               |          |                     |                     |
| a Financial Liabilities                                                                    |          |                     |                     |
| i Borrowings                                                                               | 15       | 3,264.85            | 2,103.47            |
| ii Lease Liabilities                                                                       | 34       | 0.21                | 0.10                |
| iii Trade Payables                                                                         | 16       |                     |                     |
| (a) total outstanding dues of Micro enterprises and Small enterprises                      |          | 91.43               | 122.16              |
| (b) total outstanding dues of creditors other than Micro enterprises and Small enterprises |          | 3,691.62            | 3,400.88            |
| iv Other Financial Liabilities                                                             | 17       | 2,571.63            | 2,514.04            |
| b Other Current Liabilities                                                                | 18       | 618.02              | 647.19              |
| c Provisions                                                                               | 19       | 124.76              | 102.96              |
| d Current Tax Liabilities (Net)                                                            | 20       | 181.43              | -                   |
| <b>Total Current Liabilities (C)</b>                                                       |          | <b>10,543.95</b>    | <b>8,890.80</b>     |
| <b>Total Equity and Liabilities (A+B+C)</b>                                                |          | <b>25,539.38</b>    | <b>22,562.95</b>    |
| <b>Material Accounting Policies</b>                                                        | 2        |                     |                     |
| The accompanying notes are an integral part of the financial statements.                   | 1-48     |                     |                     |

As per our report of even date attached

For S.S. Surana &amp; Co.

Chartered Accountants  
FRN 001079C

(Pralhad Gupta)

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2026

UDIN : 26074458ACNARQ1996

For and on behalf of the Board of Directors of Modern Threads (India) Limited

Rajesh Ranka – Chairman &amp; Managing Director DIN : 03438721

Ankita Jain – Independent Director DIN: 09598249

P.K. Nahar – Whole Time Director &amp; CFO DIN: 11457800

Anil Kumar Jain – Company Secretary M.No. F7842 –

Place : Bhilwara

Date : 30.05.2026

**STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2026**  
**CIN NO. L17115RJ1980PLC002075**

[₹ in Lakhs]

| Particulars        |                                                                      | Note No. | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------|----------------------------------------------------------------------|----------|------------------------------|------------------------------|
| <b>INCOME</b>      |                                                                      |          |                              |                              |
| I                  | Revenue from Operations                                              | 21       | 30,057.97                    | 26,004.48                    |
| II                 | Other Income                                                         | 22       | 1,169.24                     | 985.01                       |
| III                | <b>Total Income (I+II)</b>                                           |          | <b>31,227.21</b>             | <b>26,989.49</b>             |
| <b>IV EXPENSES</b> |                                                                      |          |                              |                              |
|                    | Cost of Materials Consumed                                           | 23       | 19,040.55                    | 15,052.25                    |
|                    | Purchases of Stock in Trade                                          |          | -                            | 0.62                         |
|                    | Changes in Inventories of Finished Goods and Work-in-progress        | 24       | (2,357.80)                   | (13.72)                      |
|                    | Employee Benefits Expense                                            | 25       | 4,393.18                     | 3,831.75                     |
|                    | Finance Costs                                                        | 26       | 297.22                       | 123.63                       |
|                    | Depreciation and Amortisation Expense                                | 27       | 469.45                       | 450.81                       |
|                    | Other Expenses                                                       | 28       | 7,536.02                     | 7,068.75                     |
|                    | <b>Total Expenses</b>                                                |          | <b>29,378.62</b>             | <b>26,514.09</b>             |
| V                  | <b>Profit before tax and exceptional items (III-IV)</b>              |          | <b>1,848.59</b>              | <b>475.40</b>                |
| VI                 | Exceptional Items                                                    | 29       | -                            | -                            |
| VII                | <b>Profit before tax (V+VI)</b>                                      |          | <b>1,848.59</b>              | <b>475.40</b>                |
| VIII               | Tax Expense                                                          | 30       |                              |                              |
|                    | a Current Tax                                                        |          | 544.99                       | 138.47                       |
|                    | b Deferred Tax                                                       |          | -                            | -                            |
|                    | Total tax expense                                                    |          | 544.99                       | 138.47                       |
| IX                 | <b>Profit for the year (VII-VIII)</b>                                |          | <b>1,303.60</b>              | <b>336.93</b>                |
| X                  | <b>Other Comprehensive Income</b>                                    |          |                              |                              |
|                    | A Items that will not be reclassified subsequently to profit or loss |          |                              |                              |
|                    | (i) Re-measurements of defined benefit plans                         |          | 57.08                        | 19.90                        |
|                    | (ii) Income Tax relating to above                                    |          | -                            | -                            |
|                    | B Items that will be reclassified subsequently to profit or loss     |          |                              |                              |
|                    | (i) Gain/(Loss) on effective portion of cash flow hedge              |          | (1.10)                       | 1.10                         |
|                    | (ii) Income Tax relating to above                                    |          | -                            | -                            |
|                    | <b>Total Other Comprehensive Income</b>                              |          | <b>55.98</b>                 | <b>21.00</b>                 |
|                    | <b>Total Comprehensive Income (IX+X)</b>                             |          | <b>1,359.58</b>              | <b>357.93</b>                |
|                    | <b>Earnings per equity share of Face Value of Rs. 10/- each</b>      | 31       |                              |                              |
|                    | Basic (in Rs.)                                                       |          | 3.75                         | 0.97                         |
|                    | Diluted (in Rs.)                                                     |          | 3.75                         | 0.97                         |
|                    | Material Accounting Policies                                         | 2        |                              |                              |

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

1-48

**As per our report of even date attached****For S.S. Surana & Co.**Chartered Accountants  
FRN 001079C**(Pralad Gupta)**

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2026

UDIN : 26074458ACNARQ1996

**For and on behalf of the Board of Directors of Modern Threads (India) Limited**

Rajesh Ranka

—

Chairman &amp; Managing Director

DIN : 03438721

Ankita Jain

—

Independent Director

DIN: 09598249

P.K. Nahar

—

Whole Time Director &amp; CFO

DIN: 11457800

Anil Kumar Jain

—

Company Secretary M.No. F7842

—

Place : Bhilwara

Date : 30.05.2026

CIN NO. L17115RJ1980PLC002075

**Standalone Statement of Cash Flow for the year ended 31st March, 2026**

[₹ in Lakhs]

| Particulars                                                                    | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|--------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>                                  |                              |                              |
| Profit before tax and after exceptional items                                  | 1,848.59                     | 475.40                       |
| <i>Adjustments for:</i>                                                        |                              |                              |
| Depreciation and amortisation                                                  | 469.45                       | 450.81                       |
| Finance costs                                                                  | 297.22                       | 123.63                       |
| Interest Income                                                                | (60.27)                      | (60.05)                      |
| Loss/(Profit) on sale of Property, Plant and Equipment (net)                   | (37.70)                      | (55.24)                      |
| Investments in NSC Written Off                                                 | -                            | 0.34                         |
| Gain on Sale/ Fair value Gain on Investments (Net)                             | (152.73)                     | (160.64)                     |
| Remeasurement of employee benefits (Net)                                       | 57.08                        | 19.90                        |
| <b>Operating profit before working capital changes</b>                         | <b>2,421.64</b>              | <b>794.15</b>                |
| <i>Changes in working capital:</i>                                             |                              |                              |
| <b>Adjustments for (increase) / decrease in operating assets:</b>              |                              |                              |
| Inventories                                                                    | (2,252.95)                   | (715.28)                     |
| Trade receivables                                                              | (16.48)                      | (19.00)                      |
| Other non-current financial assets                                             | (358.76)                     | (285.57)                     |
| Other current financial assets                                                 | 2.59                         | (13.81)                      |
| Other current assets                                                           | (106.34)                     | (331.35)                     |
| Other non-current assets                                                       | 19.64                        | (106.93)                     |
| <b>Adjustments for increase / (decrease) in operating liabilities:</b>         |                              |                              |
| Trade payables                                                                 | 260.01                       | (206.23)                     |
| Other Financial Liabilities                                                    | 57.59                        | 46.95                        |
| Other current liabilities                                                      | (26.17)                      | 61.03                        |
| Provisions                                                                     | (14.47)                      | 60.87                        |
| Bank balance other than cash & cash equivalents                                | 83.07                        | 146.34                       |
| <b>Cash generated from operations</b>                                          | <b>66.37</b>                 | <b>(568.83)</b>              |
| Net income tax (paid) / refunds                                                | (358.22)                     | (184.28)                     |
| <b>Net cash flow from / (used in) operating activities (A)</b>                 | <b>(291.85)</b>              | <b>(753.11)</b>              |
| <b>B. Cash flow from investing activities</b>                                  |                              |                              |
| Purchase of Property, plant and equipment (including capital work in progress) | (1,313.93)                   | (832.23)                     |
| Payment for ROU Assets                                                         | (4.52)                       | (51.32)                      |
| Proceeds from sale of Property, plant and equipment                            | 78.28                        | 168.14                       |
| Purchase of Mutual funds and Debentures                                        | -                            | (1,185.01)                   |
| Sale of Mutual Funds                                                           | 986.16                       | 10.00                        |
| Loan to Subsidiary                                                             | (43.93)                      | 0.00                         |
| Interest Income                                                                | 59.14                        | 60.05                        |
| <b>Net cash flow from / (used in) investing activities (B)</b>                 | <b>(238.80)</b>              | <b>(1,830.37)</b>            |
| <b>C. Cash flow from financing activities</b>                                  |                              |                              |
| Proceeds from / (Repayment of) Short Term Borrowings                           | 1,161.38                     | 2,103.47                     |
| Payment of Lease Liabilities                                                   | (0.03)                       | (0.02)                       |
| Finance costs                                                                  | (297.11)                     | (123.58)                     |
| <b>Net cash flow from / (used in) financing activities (C)</b>                 | <b>864.24</b>                | <b>1,979.87</b>              |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>          | <b>333.59</b>                | <b>(603.61)</b>              |
| Cash and cash equivalents at the beginning of the year                         | 98.71                        | 690.32                       |
| <b>Cash and cash equivalents at the end of the year (Refer Note No. 10)</b>    | <b>420.30</b>                | <b>86.71</b>                 |

The Standalone Statement of cash flows has been prepared under the "Indirect method" as set out in Ind AS 7 on "Statement of Cash Flows".

The accompanying notes are an integral part of the standalone financial statements.

**As per our report of even date attached****For S.S. Surana & Co.**

Chartered Accountants  
FRN 001079C

**(Pralhad Gupta)**

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2026

UDIN : 26074458ACNARQ1996

**For and on behalf of the Board of Directors of Modern Threads (India) Limited**

Rajesh Ranka – Chairman & Managing Director DIN : 03438721

Ankita Jain – Independent Director DIN: 09598249

P.K. Nahar – Whole Time Director & CFO DIN: 11457800

Anil Kumar Jain – Company Secretary M.No. F7842 –

Place : Bhilwara

Date : 30.05.2026

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2026**

**A. Equity Share Capital**

**(1) Current reporting period**

₹ in Lakhs

| Particulars                                                              | No of Shares    | Equity Shares Capital |
|--------------------------------------------------------------------------|-----------------|-----------------------|
| Balance at the beginning of the current reporting period                 | 34775160        | 3,477.52              |
| Change in equity share capital due to prior period errors                | —               | —                     |
| <b>Restated balance at the beginning of the current reporting period</b> | <b>34775160</b> | <b>3,477.52</b>       |
| Change in equity share capital during the current year                   | —               | —                     |
| <b>Balance at the end of the current reporting period</b>                | <b>34775160</b> | <b>3,477.52</b>       |

**(2) Previous reporting period**

₹ in lakhs

| Particulars                                                               | No of Shares    | Equity Shares Capital |
|---------------------------------------------------------------------------|-----------------|-----------------------|
| Balance at the beginning of the previous reporting period                 | 34775160        | 3,477.52              |
| Change in equity share capital due to prior period errors                 | —               | —                     |
| <b>Restated balance at the beginning of the previous reporting period</b> | <b>34775160</b> | <b>3,477.52</b>       |
| Change in equity share capital during the previous year                   | —               | —                     |
| <b>Balance at the end of the previous reporting period</b>                | <b>34775160</b> | <b>3,477.52</b>       |

**B. Other Equity**

**(1) Current reporting period**

₹ in Lakhs

| Particulars                                         | Capital Reserve | Capital Redemption Reserve | Security Premium | Debenture Redemption Reserve | Retained Earnings | Other Comprehensive Income | Total Other Equity |
|-----------------------------------------------------|-----------------|----------------------------|------------------|------------------------------|-------------------|----------------------------|--------------------|
| <b>Opening balance as at April 01, 2025</b>         | <b>35.90</b>    | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(73.32)</b>    | <b>1.10</b>                | <b>9,794.55</b>    |
| Changes in accounting policy or prior period errors | —               | —                          | —                | —                            | —                 | —                          | —                  |
| <b>Restated Balance as at April 01, 2025</b>        | <b>35.90</b>    | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(73.22)</b>    | <b>1.10</b>                | <b>9,794.55</b>    |
| Transfer from Debenture Redemption Reserve          | —               | —                          | —                | —                            | 970.00            | —                          | 970.00             |
| Transfer to Retained Earnings                       | —               | —                          | —                | (970.00)                     | —                 | —                          | (970.00)           |
| Profit for the year                                 | —               | —                          | —                | —                            | 1,303.60          | —                          | 1,303.60           |
| Other Comprehensive Income                          | —               | —                          | —                | —                            | 57.08             | (1.10)                     | 55.98              |
| Total Comprehensive Income for the year             | —               | —                          | —                | (970.00)                     | 2,330.68          | (1.10)                     | 1,359.58           |
| <b>Closing balance as at March 31, 2026</b>         | <b>35.90</b>    | <b>875.00</b>              | <b>7,985.77</b>  | <b>—</b>                     | <b>2,257.46</b>   | <b>—</b>                   | <b>11,154.13</b>   |

**(2) Previous reporting period**

₹ in Lakhs

| Particulars                                         | Capital Reserve | Capital Redemption Reserve | Security Premium | Debenture Redemption Reserve | Retained Earnings | Other Comprehensive Income | Total Other Equity |
|-----------------------------------------------------|-----------------|----------------------------|------------------|------------------------------|-------------------|----------------------------|--------------------|
| <b>Opening balance as at April 01, 2024</b>         | <b>35.90</b>    | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(430.05)</b>   | <b>—</b>                   | <b>9,436.62</b>    |
| Changes in accounting policy or prior period errors | —               | —                          | —                | —                            | —                 | —                          | —                  |
| <b>Restated Balance as at April 01, 2024</b>        | <b>35.90</b>    | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(430.05)</b>   | <b>—</b>                   | <b>9,436.62</b>    |
| Profit for the year                                 | —               | —                          | —                | —                            | 336.93            | —                          | 336.93             |
| Other Comprehensive Income                          | —               | —                          | —                | —                            | 19.90             | 1.10                       | 21.00              |
| <b>Total Comprehensive Income for the year</b>      | <b>—</b>        | <b>—</b>                   | <b>—</b>         | <b>—</b>                     | <b>356.83</b>     | <b>1.10</b>                | <b>357.93</b>      |
| Transfer to retained earnings                       | —               | —                          | —                | —                            | —                 | —                          | —                  |
| <b>Closing balance as at March 31, 2025</b>         | <b>35.90</b>    | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(73.22)</b>    | <b>1.10</b>                | <b>9,794.55</b>    |

The accompanying notes are an integral part of the standalone financial statements.

**As per our report of even date attached**

**For S.S. Surana & Co.**

Chartered Accountants  
FRN 001079C

**(Pralhad Gupta)**

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2026

UDIN : 26074458ACNARQ1996

**For and on behalf of the Board of Directors of Modern Threads (India) Limited**

|                 |   |                               |                |
|-----------------|---|-------------------------------|----------------|
| Rajesh Ranka    | — | Chairman & Managing Director  | DIN : 03438721 |
| Ankita Jain     | — | Independent Director          | DIN: 09598249  |
| P.K. Nahar      | — | Whole Time Director & CFO     | DIN: 11457800  |
| Anil Kumar Jain | — | Company Secretary M.No. F7842 | —              |

Place : Bhilwara

Date : 30.05.2026

**Notes to the Standalone Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**NOTE-1 GENERAL INFORMATION**

Modern Threads (India) Limited (the "Company") is a Public limited company domiciled in India and incorporated on 28th August, 1980 under the provisions of Companies Act, 1956 ( now replaced by Companies Act, 2013) having its registered office at Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) India. The company is listed on Bombay Stock Exchange India Limited and National Stock Exchange Limited. The Company corporate identification No. is L17115RJ1980PLC002075.

The company is engaged in the business of manufacturing and selling of mainly Worsted Yarn, Wool Tops and Synthetic blended Yarn and its manufacturing plants are located at Raila and Bhilwara, Rajasthan.

**NOTE-2 PREPARATION AND PRESENTATION OF STANDALONE FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES**
**2.1 Basis of Preparation and measurement of Standalone Financial Statements**
**A) Basis of preparation**

These Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the companies Act, 2013 ("the act") read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act. The presentation of the Standalone Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

**B) Basis of measurement**

The Standalone financial statements are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- (i) Financial instruments measured at fair value through Profit and Loss.
- (ii) Financial instruments measured at fair value through other comprehensive income.
- (iii) Remeasurements of defined benefit plans recognised in other comprehensive income.

**C) Functional and Presentation Currency**

The Standalone financial statements are prepared in Indian Rupees ("INR") which is the Company's presentation currency and the functional currency for all its operations. All financial information presented in INR has been rounded to the nearest lakhs with two decimal places unless stated otherwise.

**D) Classification of Assets and Liabilities as Current and Non Current**

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**E) Use of estimates and critical accounting judgements**

The preparation of the Standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Standalone financial statements and reported amounts of revenues and expenses during the reporting period. Actual result may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Critical estimates and judgements

- i. Property, plant and equipment and intangible assets:  
Useful lives of Property, Plant and equipment and intangible assets are based on the life prescribed in Schedule II of the

Companies Act, 2013 except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 10 to 15 years. The Company reviews its estimate of the useful lives of PPE/ intangible assets at each reporting date, based on the expected utility of the assets. It may result in change of depreciation and amortisation charges.

- ii. Recognition and measurement of defined benefit obligations:  
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. Any changes in these assumptions will impact the carrying amount of gratuity obligations.

- iii. Provisions and contingent liabilities:

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the Standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on financial position or profitability.

**2.2 Material Accounting Policies**
**A) (i) Property, plant and equipment**

Recognition and measurement

Freehold land is carried at historical cost. All other items of Property, plant and equipment are initially recognized at cost including the cost directly attributable for bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Standalone statement of profit and loss.

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. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

The Company has opted for an exemption provided by the Indian Accounting Standard (Ind As)-101. Accordingly, the carrying value for all Property, plant and Equipment recognized in the Standalone financial statements, as at the date of transition to Ind AS i.e 01.04.2016 measured as per previous GAAP and use that carrying value as deemed cost of Property, plant and Equipment.

Capital work in progress which are not ready for intended use are carried at cost less impairment loss, if any. Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period upto commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

**(ii) Depreciation on property, plant and equipment**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction)

**Notes to the Standalone Financial statements for the year ended 31st March, 2026**
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less their residual values over their useful lives of assets in accordance with Schedule II to the Companies Act, 2013 using the straight-line method except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 10 to 15 years.

The assets' useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The carrying amount is eliminated from the Standalone financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the statement of profit and loss.

**B) Intangible Assets**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises purchase price after deducting trade discounts/ rebates, including import duties and non-refundable purchase taxes, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Cost of items of intangible assets not ready for intended use as on the balance sheet date are disclosed as intangible assets under development.

Amortisation is charged on a straight-line basis over a period of 5 years, which in Management's estimate represents the period during which the economic benefits will be derived from their use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Any gains and losses on disposal of such intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the statement of Profit and loss.

**C) Leases**

As a lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

At the date of commencement of a lease, the Company recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. These are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated on a straight-line basis over the asset's useful life or the lease term whichever is shorter.

Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Company has considered all leases where the value of an underlying asset does not individually exceed Rs. 3.00 Lakhs or equivalent as a lease of low value assets.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease income from operating leases where the Company is a lessor is recognised in the statement of profit and loss on a straight-line basis over the lease term.

**D) Impairment of Non-Financial Assets**

The Property, Plant and Equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**E) Employee benefits**
**(i) Defined contribution plans**

Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees.

**(ii) Defined benefit plans**

The Company's gratuity obligation is a defined benefit plan. The liability recognised in the Balance Sheet is the present value of the defined benefit obligation at the end of the reporting period. The Company's gratuity plan is unfunded; accordingly, there are no plan assets to offset against the obligation.

The defined benefit obligation is determined at the year end by an independent actuary using the Projected Unit Credit (PUC) method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The current service cost and interest cost (calculated by applying the discount rate to the opening net defined benefit liability) are recognised in the Statement of Profit and Loss within employee benefit expense.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income (OCI) and presented within retained earnings in the Statement of Changes in Equity. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

**Notes to the Standalone Financial statements for the year ended 31st March, 2026**
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**(iii) Other employee benefits:**

- (a) Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date and charge is recognized in the statement of profit and loss.
- (b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

**F) Inventories**

Raw materials, packing materials, stores & spares, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, cost is calculated on moving weighted average basis. Cost of inventories comprises all costs of purchase, costs of 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 cost of completion and the estimated cost necessary to make the sale.

**G) Provisions, Contingent Liabilities & Contingent Assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation arising out of past event or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent assets are not recognized till the realization of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefit is possible.

**H) Taxes on Income**

Income tax expense comprises current tax and deferred tax and is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

**Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date in accordance with the provisions of the Income-tax Act, 1961. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts.

**Deferred Tax**

Deferred income tax is calculated using the balance sheet method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and all deductible temporary differences including those arising from expenses deductible in future years on a payment basis are recognised only to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets

are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and when the deferred tax balances relate to the same taxation authority.

**I) Revenue Recognition**

The Company recognises revenue in accordance with Ind AS 115 - Revenue from Contracts with Customers. Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer. A good or service is transferred when the customer obtains control of that good or service. Revenue is measured at the transaction price allocated to that performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, adjusted for discounts, rebates, scheme allowances, price concessions and incentives, if any, as specified in the contracts with customers. Revenue excludes goods and services tax, sales tax and other amounts collected on behalf of third parties.

**Revenue from Sale of goods**

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer, which generally corresponds to when the significant risks and rewards of ownership pass to the customer and the Company ceases to have any effective control over the goods.

Where contracts include variable consideration (e.g. rights of return, price adjustments), the Company estimates the amount of variable consideration using the most likely amount or expected value method, whichever better predicts the consideration to which it will be entitled, and recognises revenue only to the extent that it is highly probable that a significant reversal of cumulative revenue will not occur. A refund liability is recognised for goods expected to be returned, and a corresponding right to recover the returned goods is included in assets.

**Revenue from job work charges**

Revenue from job work charges is recognised at a point in time when control of the processed material is transferred to the customer, which is generally when the material is fully processed and dispatched.

**Export incentives**

Income from export incentives and other government incentives is recognised when there is reasonable assurance that the company will comply with the conditions attached to them and that the incentive will be received. Such income is recognised on an accrual basis in the period in which the underlying export utilization entitlement is established and its collection is reasonably certain.

**Interest income**

For all interest-bearing financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

**J) Foreign currency transactions and translations**

Foreign currency transactions are recorded at exchange rate at the date of transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the statement of profit and loss. Monetary assets and liabilities in foreign currency are translated into functional currency at the year ended exchange rate. Foreign Exchange gains or losses arising from such transactions are recognised in the statement of profit and loss.

Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded

**Notes to the Standalone Financial statements for the year ended 31st March, 2026**  
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at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

**K) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**L) Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment (textile) as the operating results of the Company are reviewed on an overall basis by the CODM.

**M) Financial Instruments**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent measurement:

Financial assets (other than equity instruments) are subsequently measured under one of the following three categories based on the business model for managing the financial asset and its contractual cash flow characteristics:

- (i) Measured at amortised cost:  
Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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 profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.
- (ii) Measured at fair value through other comprehensive income (FVTOCI):  
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are on specified dates are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate

method and impairment losses, if any, are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss.

- (iii) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity instruments measured at Cost:

Equity investments in subsidiaries / joint ventures / associates are accounted at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Equity Instruments measured at FVTOCI or FVTPL:

All equity investments are measured at fair values. The Company may irrevocably elect to measure the same either at FVOCI or FVTPL on initial recognition. The Company makes such election on an instrument-by-instrument basis. The fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition:

A financial asset is derecognised when: (i) the contractual rights to the cash flows from the financial asset expire; or (ii) the Company transfers the financial asset and substantially all the risks and rewards of ownership; or (iii) the Company neither transfers nor retains substantially all the risks and rewards of ownership, but has transferred control of the financial asset.

Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- ii) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**Financial Liabilities**

Financial liabilities include long-term and short term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

Initial Recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings

Borrowings are initially recorded at fair value net of transaction cost

**Notes to the Standalone Financial statements for the year ended 31st March, 2026**  
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and subsequently measured at amortized costs using effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

Trade and other payables trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

**Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition 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.

**Derivative financial instruments and hedge accounting**

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date.

Any derivative that is either not designated as hedge, or is so designated but is in effective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ current liabilities, if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

**Cash flows hedge that qualify for the hedge accounting**

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit & loss, except for the effective portion of cash flow hedge which is recognized in other comprehensive income and presented as separate category of equity which is later reclassified to statement of profit & loss when the hedge item affects profit & loss.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**N) Earnings Per Share**
**Basic earnings per Share**

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year.

**Diluted earnings per share**

Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**O) Cash Flow Statement**

Cash flows are reported using the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit/(loss) before tax for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments 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.

**P) Cash and Cash Equivalents**

Cash and cash equivalents in Balance Sheet includes cash on hand, cheque on hand, balance with bank on current account and other short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

**Q) Government Grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income/expense are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the property, plant and equipment are credited to deferred revenue income on account of capital subsidy and recognised in profit and loss on a systematic basis over the expected lives of related assets and presented within other income.

**R) Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

**S) Recent Accounting Pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time. MCA has notified the following amendments effective from 1 April 2025:

- Ind AS 1 - Presentation of Financial Statements (classification of liabilities as current or non-current, including liabilities with covenants);
- Ind AS 12 - Income Taxes (International Tax Reform - Pillar Two Model Rules);
- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability);
- Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures (Supplier Finance Arrangements).

The Company has reviewed these amendments and, based on its evaluation, has determined that they do not have any material impact on the Standalone financial statements for the year ended 31 March 2026.

**Standards and amendments notified but effective for periods beginning on or after 1 April 2026:**

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1- The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non current and require retrospective application in accordance with Ind AS 8. The Company does not expect any material impact on its financial statements.

**Notes on Standalone Financial statements for the year ended 31st March, 2026**

CIN NO. L17115RJ1980PLC002075

**3 (A) PROPERTY, PLANT AND EQUIPMENT**

[₹ in Lakhs]

| Particulars                     | Free Hold Land | Building | Plant and Equipment | Office Equipment | Furniture & Fixtures | Computer | Vehicles | Total     |
|---------------------------------|----------------|----------|---------------------|------------------|----------------------|----------|----------|-----------|
| <b>GROSS BLOCK</b>              |                |          |                     |                  |                      |          |          |           |
| As at 01.04.2024                | 1,188.84       | 1,832.96 | 17,724.84           | 57.38            | 146.90               | 69.68    | 113.32   | 21,133.92 |
| Additions                       | -              | 69.13    | 354.10              | 7.94             | 25.30                | 3.09     | 91.49    | 551.05    |
| Deductions                      | -              | -        | 1,922.56            | 0.52             | 6.95                 | 0.30     | 8.06     | 1,938.39  |
| As at 31.03.2025                | 1,188.84       | 1,902.09 | 16,156.38           | 64.80            | 165.25               | 72.47    | 196.75   | 19,746.58 |
| Additions                       | -              | -        | 926.17              | 2.98             | 11.67                | 3.06     | 5.49     | 949.37    |
| Deductions                      | -              | -        | 499.98              | 0.32             | 23.07                | -        | 2.09     | 525.46    |
| As at 31.03.2026                | 1,188.84       | 1,902.09 | 16,582.57           | 67.46            | 153.85               | 75.53    | 200.15   | 20,170.49 |
| <b>ACCUMULATED DEPRECIATION</b> |                |          |                     |                  |                      |          |          |           |
| As at 01.04.2024                | -              | 1,503.08 | 14,872.68           | 43.50            | 100.96               | 60.83    | 77.22    | 16,658.27 |
| Charge for the year             | -              | 13.28    | 400.76              | 3.31             | 9.17                 | 3.22     | 13.79    | 443.53    |
| Deductions                      | -              | -        | 1,814.14            | 0.29             | 6.16                 | 0.30     | 4.60     | 1,825.49  |
| As at 31.03.2025                | -              | 1,516.36 | 13,459.30           | 46.52            | 103.97               | 63.75    | 86.41    | 15,276.31 |
| Charge for the year             | -              | 14.78    | 414.40              | 4.50             | 10.19                | 3.33     | 14.53    | 461.73    |
| Deductions                      | -              | -        | 461.55              | 0.07             | 22.88                | -        | 0.38     | 484.88    |
| As at 31.03.2026                | -              | 1,531.14 | 13,412.15           | 50.95            | 91.28                | 67.08    | 100.56   | 15,253.16 |
| <b>NET BLOCK</b>                |                |          |                     |                  |                      |          |          |           |
| As at 31.03.2025                | 1,188.84       | 385.73   | 2,697.08            | 18.28            | 61.28                | 8.72     | 110.34   | 4,470.27  |
| As at 31.03.2026                | 1,188.84       | 370.95   | 3,170.42            | 16.51            | 62.57                | 8.45     | 99.59    | 4,917.33  |

3.1 Property, Plant and Equipment existing as on 01.04.2016 i.e. date of transition to IND AS, the company has elected to use previous GAAP carrying value as deemed cost under IND AS.

3.2 In accordance with the Indian accounting standard (IND AS 36) Impairment of assets, the management has carried out exercise of identifying assets that may have been impaired. On the basis of review carried out by management there was no impairment loss on PPE during the year.

3.3 Title deeds of Immovable Properties not held in name of the Company (Refer Note No. 40)

3.4 The company has not revalued any Property, Plant and Equipment during the year.

**3 (B) : CAPITAL WORK IN PROGRESS**
**CURRENT REPORTING PERIOD**

₹ in Lakhs

| PARTICULARS         | GROSS BLOCK      |                |               |                  |
|---------------------|------------------|----------------|---------------|------------------|
|                     | As at 01.04.2025 | Addition       | Deduction     | As at 31.03.2026 |
| Plant and Equipment | 500.96           | 1073.03        | 708.47        | 865.52           |
| <b>Total :</b>      | <b>500.96</b>    | <b>1073.03</b> | <b>708.47</b> | <b>865.52</b>    |

**PREVIOUS REPORTING PERIOD**

| PARTICULARS         | GROSS BLOCK      |               |               |                  |
|---------------------|------------------|---------------|---------------|------------------|
|                     | As at 01.04.2024 | Addition      | Deduction     | As at 31.03.2025 |
| Plant and Equipment | 219.78           | 576.20        | 295.02        | 500.96           |
| <b>Total :</b>      | <b>219.78</b>    | <b>576.20</b> | <b>295.02</b> | <b>500.96</b>    |

**CWIP ageing schedule**

As at 31.03.2026

| CWIP                           | Amount in CWIP for a period of |          |          |                   | Total         |
|--------------------------------|--------------------------------|----------|----------|-------------------|---------------|
|                                | Less than 1 year               | 1-2 year | 2-3 year | More than 3 years |               |
| Projects in progress           | 865.52                         | -        | -        | -                 | 865.52        |
| Projects temporarily suspended | -                              | -        | -        | -                 | -             |
| <b>TOTAL</b>                   | <b>865.52</b>                  | <b>-</b> | <b>-</b> | <b>-</b>          | <b>865.52</b> |

**CWIP ageing schedule**

As at 31.03.2025

| CWIP                           | Amount in CWIP for a period of |          |          |                   | Total         |
|--------------------------------|--------------------------------|----------|----------|-------------------|---------------|
|                                | Less than 1 year               | 1-2 year | 2-3 year | More than 3 years |               |
| Projects in progress           | 500.96                         | -        | -        | -                 | 500.96        |
| Projects temporarily suspended | -                              | -        | -        | -                 | -             |
| <b>TOTAL</b>                   | <b>500.96</b>                  | <b>-</b> | <b>-</b> | <b>-</b>          | <b>500.96</b> |

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**
**Note No. 3 (C) : RIGHT OF USE ASSETS**
**₹ in Lakhs**

| <b>Gross Carrying Amount</b>        | <b>Lease Hold Land</b> |
|-------------------------------------|------------------------|
| <b>Balance as at April 1, 2024</b>  | <b>458.25</b>          |
| Additions                           | 51.86                  |
| Disposals/Adjustments               | —                      |
| <b>Balance as at March 31, 2025</b> | <b>510.11</b>          |
| Additions                           | 4.52                   |
| Disposals/Adjustments               | —                      |
| <b>Balance as at March 31, 2026</b> | <b>514.63</b>          |
| <b>Amortisation</b>                 | <b>Lease Hold Land</b> |
| <b>Balance as at April 1, 2024</b>  | <b>65.46</b>           |
| Amortisation for the year           | 7.28                   |
| Disposals/Adjustments               | —                      |
| <b>Balance as at March 31, 2025</b> | <b>72.74</b>           |
| Amortisation for the year           | 7.72                   |
| Disposals/Adjustments               | —                      |
| <b>Balance as at March 31, 2026</b> | <b>80.46</b>           |
| <b>Net Carrying Amounts</b>         | <b>Lease Hold Land</b> |
| Balance as at March 31, 2025        | 437.37                 |
| Balance as at March 31, 2026        | 434.17                 |

Certain lease agreements are not held in name of the Company (Refer Note No. 40)

**3 (D) : OTHER INTANGIBLE ASSETS**
**CURRENT REPORTING PERIOD**
**₹ in Lakhs**

| <b>PARTICULARS</b> | <b>GROSS BLOCK</b>  |          |           |                     | <b>DEPRECIATION / AMORTISATION</b> |                 |            |                     | <b>NET BLOCK</b>    |
|--------------------|---------------------|----------|-----------|---------------------|------------------------------------|-----------------|------------|---------------------|---------------------|
|                    | As at<br>01.04.2025 | Addition | Deduction | As at<br>31.03.2026 | As at<br>01.04.2025                | For the<br>Year | Deductions | As at<br>31.03.2026 | As at<br>31.03.2026 |
| <b>Software</b>    | 33.34               | —        | —         | <b>33.34</b>        | 33.34                              | —               | —          | 33.34               | —                   |
| <b>Total :</b>     | <b>33.34</b>        | —        | —         | <b>33.34</b>        | <b>33.34</b>                       | —               | —          | <b>33.34</b>        | —                   |

**PREVIOUS REPORTING PERIOD**

| <b>PARTICULARS</b> | <b>GROSS BLOCK</b>  |          |           |                     | <b>DEPRECIATION / AMORTISATION</b> |                 |            |                     | <b>NET BLOCK</b>    |
|--------------------|---------------------|----------|-----------|---------------------|------------------------------------|-----------------|------------|---------------------|---------------------|
|                    | As at<br>01.04.2024 | Addition | Deduction | As at<br>31.03.2025 | As at<br>01.04.2024                | For the<br>Year | Deductions | As at<br>31.03.2025 | As at<br>31.03.2025 |
| <b>Software</b>    | 33.34               | —        | —         | <b>33.34</b>        | 33.34                              | —               | —          | 33.34               | —                   |
| <b>Total :</b>     | <b>33.34</b>        | —        | —         | <b>33.34</b>        | <b>33.34</b>                       | —               | —          | <b>33.34</b>        | —                   |

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| PARTICULARS                                                                               | As at       | As at       |
|-------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                           | 31.03.2026  | 31.03.2025  |
| <b>4 INVESTMENTS</b>                                                                      |             |             |
| <b>Non-current Investments</b>                                                            |             |             |
| <b>A INVESTMENT IN SUBSIDIARY</b>                                                         |             |             |
| Investment in equity instruments(unquoted)                                                |             |             |
| (Measured at cost)                                                                        |             |             |
| Modern Woollens UK Limited (wholly owned subsidiary)                                      |             |             |
| 1 equity shares of face value GBP 1 each fully paid-up in ( March 31,2025-Nil)            | 0.00*       | -           |
| *below rounding threshold, actual cost of investment is only ₹121/- (Previous year NIL)   | 0.00        | -           |
| <b>B OTHER INVESTMENTS</b>                                                                |             |             |
| At Amortised Cost (Unquoted)                                                              |             |             |
| Investment in Govt. Securities*                                                           | 0.30        | 0.30        |
| Interest Accrued on Govt. Securities*                                                     | 0.18        | 0.18        |
|                                                                                           | <b>0.48</b> | <b>0.48</b> |
| *Pledged with Government Departments                                                      |             |             |
| <b>Current Investments</b>                                                                |             |             |
| <b>Mutual funds-Quoted- Measured at fair value through P&amp;L (FVTPL)</b>                |             |             |
| HDFC Floating Rate debt Fund                                                              | 246.13      | 230.62      |
| 472469.47 Units (As at 31.03.2025- 472469.47 units)                                       |             |             |
| Pledged 472469 units(As at 31.03.2025-472469 units) with QI Brokerage for F&O Trading)    |             |             |
| HDFC Arbitrage Fund                                                                       | -           | 1,017.70    |
| Nil Units (As at 31.03.2025- 3374561.753 units)                                           |             |             |
| Pledged Nil units ( As at 31.03.2025- 3374561 units with Q1 Brokerage for F&O Trading)    |             |             |
| HDFC Liquid Fund                                                                          | 1079.07     | 1.44        |
| 20179.381 Units (As at 31.03.2025- 28.562 units)]                                         |             |             |
| Pledged 20150 units (As at 31.03.2025- nil units) with QI Brokerage for F&O Trading)      |             |             |
| HDFC Flexi Cap Fund                                                                       | 2.63        | 2.67        |
| 144.432 Units (As at 31.03.2025- 144.432 units)                                           |             |             |
| HDFC Small Cap Fund                                                                       | 1.26        | 1.29        |
| 1064.151 Units (As at 31.03.2025- 1064.151 units)                                         |             |             |
| ABSL Arbitrage Fund                                                                       | -           | 939.62      |
| NIL Units (As at 31.03.2025- 3595962.815 units)                                           |             |             |
| Pledged Nil Units (As at 31.03.2025- 3595962 units) with QI Brokerage for F&O Trading     |             |             |
| Aditya Birla SL Liquid Fund                                                               | 42.99       | 40.49       |
| 9787.524 Units (As at 31.03.2025- 9787.524 units)                                         |             |             |
| Pledged 9787 units (As at 31.03.202- 9787 Unit) with QI Brokerage for F&O Trading         |             |             |
| Kotak Equity Arbitrage Fund                                                               | 446.88      | 420.97      |
| 1141462.861 Units (As at 31.03.2025- 1141462.861 units)                                   |             |             |
| Pledged 1141462 units (As at 31.03.2025- 1141462 units) with QI Brokerage for F&O Trading |             |             |
| Kotak Emerging Equity Fund                                                                | 1.65        | 1.60        |
| 1350.79 Units (As at 31.03.2025- 1350.79 units)                                           |             |             |
| Kotak Multicap Fund                                                                       | 1.92        | 1.88        |
| 11008.255 Units (As at 31.03.2025- 11008.255 units)                                       |             |             |
| Kotak Liquid Fund                                                                         | 39.02       | 36.76       |
| 708.444 Units (As at 31.03.2025- 708.444 units)                                           |             |             |
| Pledged 682 units (As at 31.03.2025- 682 units) with QI Brokerage for F&O Trading         |             |             |
| Quant Large Cap Fund                                                                      | 2.62        | 2.77        |
| 20178.02 Units (As at 31.03.2025- 20178.02 units)                                         |             |             |
| Quant Active Fund                                                                         | 1.74        | 1.89        |
| 323.227 Units (As at 31.03.2025- 323.227 units)                                           |             |             |
| Quant Liquid Plan                                                                         | 1.85        | 1.75        |
| 4299.30 Units (As at 31.03.2025- 4299.30 units)                                           |             |             |
| Dsp Equity Opportunities Fund                                                             | 2.48        | 2.58        |
| 443.983 Units (As at 31.03.2025- 443.983 units)                                           |             |             |
| Dsp Liquidity Fund                                                                        | 0.98        | 0.92        |
| 25.236 Units (As at 31.03.2025- 25.236 units)                                             |             |             |
| SBI Large & Midcap Fund                                                                   | 1.74        | 1.72        |
| 301.088 Units (As at 31.03.2025- 301.088 units)                                           |             |             |
| SBI Contra Fund                                                                           | 1.92        | 1.98        |
| 551.965 Units (As at 31.03.2025- 551.965 units)                                           |             |             |
| SBI Infrastructure Fund                                                                   | 1.74        | 1.64        |
| 3565.674 Units (As at 31.03.2025- 3565.674 units)                                         |             |             |

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| <b>PARTICULARS</b>                                                                                                                       | <b>As at<br/>31.03.2026</b> | <b>As at<br/>31.03.2025</b> |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| SBI Liquid Fund<br>48.632 Units (As at 31.03.2025- 48.632 units)                                                                         | 2.07                        | 1.95                        |
| ICICI Pru Focused Equity Fund<br>2455.127 Units (As at 31.03.2025- 2455.127 units)                                                       | 2.04                        | 2.05                        |
| ICICI Pru Dividend Yield Equity Fund<br>4199.273 Units (As at 31.03.2025- 4199.273 units)                                                | 2.04                        | 2.06                        |
| ICICI Prudential Liquid<br>378.528 Units (As at 31.03.2025- 378.528 units)                                                               | 1.53                        | 1.44                        |
| Canara Robeco Multi Cap Fund<br>14737.546 Units (As at 31.03.2025- 14737.546 units)                                                      | 1.89                        | 1.92                        |
| Canara Robeco Liquid Fund<br>23.286 Units (As at 31.03.2025- 23.286 units)                                                               | 0.76                        | 0.72                        |
| Invesco India Small Cap Fund<br>4925.196 Units (As at 31.03.2025- 4925.196 units)                                                        | 1.81                        | 1.81                        |
| Invesco India Liquid Fund<br>20.388 Units (As at 31.03.2025- 20.388 units)                                                               | 0.76                        | 0.72                        |
|                                                                                                                                          | <b>1889.52</b>              | <b>2,722.96</b>             |
| <b>-Debentures-Unquoted - Measured at Fair Value through P&amp;L (FVTPL)</b>                                                             |                             |                             |
| <b>Redeemable and Non Convertible</b>                                                                                                    |                             |                             |
| ARGFL Nifty 50 -Debentures<br>(88 Units of face value Rs. 100000/- (As at 31.03.2025 88 units))                                          | 110.00                      | 110.00                      |
| Redeemable on 23.02.2030 at Face value*(1+Product return)*1.25                                                                           |                             |                             |
|                                                                                                                                          | <b>110.00</b>               | <b>110.00</b>               |
|                                                                                                                                          | <b>1999.52</b>              | <b>2,832.96</b>             |
| Aggregate value of Quoted investments-At Cost                                                                                            | 1763.78                     | 2,510.07                    |
| Aggregate value of unquoted investments-At Cost                                                                                          | 110.00                      | 110.00                      |
| Aggregate value of Quoted investments-At Market Value                                                                                    | 1889.52                     | 2,722.96                    |
| Aggregate value of pledged investment in MF                                                                                              | 1851.07                     | 2,684.78                    |
| <b>5 LOANS</b>                                                                                                                           |                             |                             |
| <b>Non Current Unsecured, considered good</b>                                                                                            |                             |                             |
| <b>(Measured at amortised cost)</b>                                                                                                      |                             |                             |
| Modern Woollens UK Limited (wholly owned subsidiary)                                                                                     | 43.93                       | —                           |
| Interest receivable from wholly owned Subsidiary                                                                                         | 1.13                        | —                           |
|                                                                                                                                          | <b>45.06</b>                | <b>—</b>                    |
| <b>6 OTHER FINANCIAL ASSETS</b>                                                                                                          |                             |                             |
| <b>(Unsecured considered good)</b>                                                                                                       |                             |                             |
| <b>Non Current</b>                                                                                                                       |                             |                             |
| Deposit with Government Departments / Others                                                                                             | 349.61                      | 324.52                      |
| Fixed Deposits with Banks under lien (Refer foot note a and b)                                                                           | 633.94                      | 321.80                      |
| Fixed Deposits With Banks (Refer foot note a)                                                                                            | 35.89                       | 29.48                       |
| Interest accrued on deposits                                                                                                             | 21.01                       | 5.89                        |
|                                                                                                                                          | <b>1040.45</b>              | <b>681.69</b>               |
| a. All FDRs having original maturity more than 12 months                                                                                 |                             |                             |
| b. Fixed Deposits with Banks under lien held as margin against Bank Guarantee,<br>other commitments and security against Overdraft Limit |                             |                             |
| <b>Current</b>                                                                                                                           |                             |                             |
| Interest accrued on deposits                                                                                                             | 19.60                       | 20.22                       |
| Employees advances                                                                                                                       | 32.14                       | 34.11                       |
| Derivative Financial Assets                                                                                                              | —                           | 1.10                        |
|                                                                                                                                          | <b>51.74</b>                | <b>55.43</b>                |
| <b>7 OTHER ASSETS</b>                                                                                                                    |                             |                             |
| <b>(Unsecured considered good)</b>                                                                                                       |                             |                             |
| <b>Non-Current</b>                                                                                                                       |                             |                             |
| Deposits under Protest                                                                                                                   | 36.13                       | 34.70                       |
| Capital Advance                                                                                                                          | 106.40                      | 118.17                      |
| Export Benefits                                                                                                                          | 108.20                      | 97.86                       |
| Prepaid Expenses                                                                                                                         | 10.41                       | 7.18                        |
| Other Receivables                                                                                                                        | 7.72                        | 30.59                       |
|                                                                                                                                          | <b>268.86</b>               | <b>288.50</b>               |

## ₹ in Lakhs

\*The Company has entered into a lease agreement for a Solar Power Plant to be installed at its manufacturing premises at Raila, Bhilwara, Rajasthan. The lease not commenced as at 31st March, 2026, as the plant was not yet available for use by the Company on the Balance Sheet date. The Right-of-Use asset and corresponding lease liability in respect of the above lease will be recognised in the standalone financial statements on commencement of the lease, when the underlying asset is made available for use.

(At lower of cost and Net Realisable value)

Raw Material includes in transit inventory of Rs. 552.98 Lakhs( As at 31.3.2025 Rs. 350.85 Lakhs)  
Stores & Spares includes in transit inventory of Rs. 40.71 Lakhs ( As at 31.3.2025 Rs Nil )

## Current

Less: Allowance for doubtful Trade Receivables

9.2 The above trade receivables include amount due from wholly owned subsidiary

9.3 Trade Receivables ageing schedule for the year ended as on March 31, 2026 and March 31, 2025:

775.92 —

**As at 31.03.2026**

[illegible]

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
CIN NO. L17115RJ1980PLC002075

As at 31.03.2025

| Particulars                                                                       | Outstanding for following periods from due date of payment |                    |                  |               |              |                   |                 |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|------------------|---------------|--------------|-------------------|-----------------|
|                                                                                   | Not Due                                                    | Less than 6 months | 6 Months- 1 year | 1-2 years     | 2-3 years    | More than 3 years | Total           |
| (i) Undisputed Trade Receivables –considered good                                 | 3,543.18                                                   | 651.03             | 269.77           | 171.53        | –            | –                 | 4,635.51        |
| (ii) Undisputed Trade Receivables– which have significant increase in credit risk | –                                                          | –                  | –                | –             | 57.18        | –                 | 57.18           |
| (iii) Undisputed Trade Receivables – credit impaired                              | –                                                          | –                  | –                | –             | –            | 5.05              | 5.05            |
| (iv) Disputed Trade Receivables – considered good                                 | –                                                          | –                  | –                | –             | –            | –                 | –               |
| (v) Disputed Trade Receivables –which have significant increase in credit risk    | –                                                          | –                  | –                | –             | –            | –                 | –               |
| (vi) Disputed Trade Receivables –credit impaired                                  | –                                                          | –                  | –                | 6.94          | –            | 20.65             | 27.59           |
| <b>TOTAL</b>                                                                      | <b>3,543.18</b>                                            | <b>651.03</b>      | <b>269.77</b>    | <b>178.47</b> | <b>57.18</b> | <b>25.70</b>      | <b>4,725.33</b> |
| Less : Allowacne for doubtful Trade Receivable                                    |                                                            |                    |                  |               |              |                   | (38.35)         |
|                                                                                   |                                                            |                    |                  |               |              |                   | <b>4,686.98</b> |

**9.3 Movement for allowance in Doubtful Debts**

₹ in Lakhs

| Particulars                                               | As at 31.03.2026 | As at 31.03.2025 |
|-----------------------------------------------------------|------------------|------------------|
| Opening Balance                                           | 38.35            | 22.41            |
| Allowances made                                           | 17.63            | 16.81            |
| Less : Reversal of Provision for Bad Debts                | 16.60            | 0.87             |
| Closing Balance                                           | <b>39.38</b>     | <b>38.35</b>     |
| <b>10 CASH AND CASH EQUIVALENTS</b>                       |                  |                  |
| Cash on hand                                              | 11.39            | 8.63             |
| <b>Balances with Banks</b>                                |                  |                  |
| In Current Accounts                                       | 408.91           | 78.08            |
|                                                           | <b>420.30</b>    | <b>86.71</b>     |
| <b>11 OTHER BANK BALANCES</b>                             |                  |                  |
| Fixed Deposits with Banks (Refer Note a)                  | 11.59            | 83.81            |
| Fixed Deposits with Banks under lien (Refer Note a and b) | –                | 10.85            |
|                                                           | <b>11.59</b>     | <b>94.66</b>     |

a. All deposits are having original maturity between 3 to 12 months

b. Fixed Deposits with Banks under lien held as margin against Bank Guarantee and other commitments

**12 INCOME TAX ASSETS****Current**Advance Tax TDS/TCS receivable\*  
less Current tax\*

|             |             |
|-------------|-------------|
| 4.35        | 128.48      |
| –           | (118.80)    |
| <b>4.35</b> | <b>9.68</b> |

\*Refer Note 20 for FY 2024-25

**13 EQUITY SHARE CAPITAL****Authorised :****Equity Share Capital**

18,50,00,000 (18,50,00,000 as at 31.03.2025)

Equity Shares of Rs. 10/- each

|                  |                  |
|------------------|------------------|
| 18,500.00        | 18,500.00        |
| <b>18,500.00</b> | <b>18,500.00</b> |

**Preference Share Capital**

20,00,000 (20,00,000 as at 31.03.2025)

Preference Shares of Rs. 100/- each  
(Refer Note No. 16)

|                 |                 |
|-----------------|-----------------|
| 2,000.00        | 2,000.00        |
| <b>2,000.00</b> | <b>2,000.00</b> |

**Issued, subscribed and fully paid-up Equity**

3,47,75,160 Equity Shares (3,47,75,160 as at 31.03.2025) of Rs.10/- each

|                 |                 |
|-----------------|-----------------|
| 3,477.52        | 3,477.52        |
| <b>3,477.52</b> | <b>3,477.52</b> |

**13.1 The Reconciliation of number of equity share outstanding at the beginning and at the end of the reporting period**

| Particulars                              | As at 31.03.2026  |                 | As at 31.03.2025  |                 |
|------------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                          | Nos               | Rs. in Lakhs    | Nos               | Rs. in Lakhs    |
| Outstanding at the beginning of the year | 34,775,160        | 3,477.52        | 34,775,160        | 3,477.52        |
| Add: Shares issued during the year       | –                 | –               | –                 | –               |
| Outstanding at the end of the year       | <b>34,775,160</b> | <b>3,477.52</b> | <b>34,775,160</b> | <b>3,477.52</b> |

**Notes on Standalone Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**13.2 Terms/rights attached to equity shares**

The company has one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**13.3 The details of shareholders holding more than 5% of the shares in the company**

| Name of the Share holders                                                             | As at 31.03.2026 |              | As at 31.03.2025 |              |
|---------------------------------------------------------------------------------------|------------------|--------------|------------------|--------------|
|                                                                                       | No. of Shares    | % of Holding | No. of Shares    | % of Holding |
| 1) Generotrade Exim LLP                                                               | 15660889         | 45.03        | 15636901         | 44.97        |
| 2) Arihant Beneficiary Trust through Smt Lalitha Ranka                                | 7000000          | 20.13        | 7000000          | 20.13        |
| 3) Administrator of the specified undertaking of Unit Trust of India unit scheme 1964 | 1876217          | 5.40         | 1876217          | 5.40         |
| 4) Unit Trust of India                                                                | 906356           | 2.61         | 906356           | 2.61         |

**13.4 Details of Shares held by promoters at the end of the year**

| Promoter Name                                          | As at 31.03.2026 |              | As at 31.03.2025 |              | % change during the year |
|--------------------------------------------------------|------------------|--------------|------------------|--------------|--------------------------|
|                                                        | No. of Shares    | % of Holding | No. of Shares    | % of Holding |                          |
| 1) Generotrade Exim LLP                                | 15660889         | 45.03        | 15636901         | 44.97        | 0.06%                    |
| 2) Arihant Beneficiary Trust through Smt Lalitha Ranka | 7000000          | 20.13        | 7000000          | 20.13        | -                        |

13.5 The Company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus Shares or Bought back any equity shares during the last five years immediately preceding the Balance Sheet date.

**₹ in Lakhs**

| PARTICULARS                                                                                      |  | As at<br>31.03.2026 | As at<br>31.03.2025 |
|--------------------------------------------------------------------------------------------------|--|---------------------|---------------------|
| <b>14 OTHER EQUITY</b>                                                                           |  |                     |                     |
| a Capital Reserve                                                                                |  | 35.90               | 35.90               |
| b Capital Redemption Reserve                                                                     |  | 875.00              | 875.00              |
| c Securities Premium                                                                             |  | 7,985.77            | 7,985.77            |
| d Debenture Redemption Reserve                                                                   |  | —                   | 970.00              |
| e Retained Earnings                                                                              |  | 2257.46             | (73.22)             |
| f Other Comprehensive Income                                                                     |  | —                   | 1.10                |
| <b>Total Other Equity</b>                                                                        |  | <b>11,154.13</b>    | <b>9,794.55</b>     |
| <b>a Capital Reserve</b>                                                                         |  |                     |                     |
| Balance at the beginning of the year                                                             |  | 35.90               | 35.90               |
| Balance at the end of the year                                                                   |  | <b>35.90</b>        | <b>35.90</b>        |
| <b>b Capital Redemption Reserve</b>                                                              |  |                     |                     |
| Balance at the beginning of the year                                                             |  | 875.00              | 875.00              |
| Balance at the end of the year                                                                   |  | <b>875.00</b>       | <b>875.00</b>       |
| <b>c Securities Premium</b>                                                                      |  |                     |                     |
| Balance at the beginning of the year                                                             |  | 7,985.77            | 7,985.77            |
| Balance at the end of the year                                                                   |  | <b>7,985.77</b>     | <b>7,985.77</b>     |
| <b>d Debenture Redemption Reserve</b>                                                            |  |                     |                     |
| Balance at the beginning of the year                                                             |  | 970.00              | 970.00              |
| Less :Transferred to Retained Earnings                                                           |  | (970.00)            | —                   |
| Balance at the end of the year                                                                   |  | <b>—</b>            | <b>970.00</b>       |
| <b>e Retained Earnings</b>                                                                       |  |                     |                     |
| Balance at the beginning of the year                                                             |  | (73.22)             | (430.05)            |
| Add : Transferred from Debenture Redemption Reserve                                              |  | 970.00              | —                   |
| Add: Profit for the year                                                                         |  | 1303.60             | 336.93              |
| Add: Other comprehensive income arising from re-measurment of defined benefit plans (net of tax) |  | 57.08               | 19.90               |
| Balance at the end of the year                                                                   |  | <b>2257.46</b>      | <b>(73.22)</b>      |
| <b>f Other Comprehensive Income</b>                                                              |  |                     |                     |
| <b>Effective Portion of Cash Flow Hedge</b>                                                      |  |                     |                     |
| Balance at the beginning of the year                                                             |  | 1.10                | —                   |
| Addition/Deduction during the year                                                               |  | (1.10)              | 1.10                |
| Balance at the end of the year                                                                   |  | <b>—</b>            | <b>—</b>            |
| <b>Total Other Equity</b>                                                                        |  | <b>11,154.13</b>    | <b>9,794.55</b>     |

**14.1 Nature and purpose of each reserve within equity is as follows:**
**A) Capital Reserve**

Capital Reserve is mainly the reserve created by transferring the capital Subsidy received from Government in earlier years in accordance with applicable accounting standards on that date.

**Notes on Standalone Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**B) Capital Redemption Reserve**

Capital Redemption Reserve has been created for redemption of Preference Share Capital.

**C) Securities Premium**

Security Premium Account was created on issue of shares at premium. These reserves can be utilised in accordance with Section 52 of Companies Act 2013.

**D) Debenture Redemption Reserve**

Debenture Redemption Reserve had been created for redemption of Debentures. Since, no debentures are outstanding for redemption, hence, balance transferred to retained earnings.

**E) Retained Earnings**

Retained earnings represents undistributed earning after taxes of the company which can be distributed to its equity shareholders in accordance with the requirement of Companies Act, 2013.

**₹ in Lakhs**

| PARTICULARS                                | As at           | As at           |
|--------------------------------------------|-----------------|-----------------|
|                                            | 31.03.2026      | 31.03.2025      |
| <b>14 BORROWINGS</b>                       |                 |                 |
| <b>Non Current</b>                         |                 |                 |
| <b>Secured</b>                             |                 |                 |
| Working Capital Facilities from Banks      | —               | —               |
| <b>Current</b>                             |                 |                 |
| <b>Secured</b>                             |                 |                 |
| Working Capital Facilities from Bank       | 2,235.56        | 1,094.81        |
| Bank Overdraft                             | 199.29          | 153.66          |
| <b>Unsecured</b>                           |                 |                 |
| Inter Corporate Loans from Related Parties | 830.00          | 855.00          |
|                                            | <b>3,264.85</b> | <b>2,103.47</b> |

**i. Working Capital Facilities from Bank**

- a. Working Capital Borrowings from UCO Bank is secured by first and exclusive charge over on entire current assets comprising of Stock of raw material, Stores & spares, stocks in process, finished Goods, book debts/ receivable and plant & machinery both present and future .

It is also secured by way of equitable mortgage on Industrial Property of Land & Building measuring 144.60 bigha situated at Plot no old khasra no. 2702,2703,705,2707,2708,2709,2710,2711,2719,2704,4025/2706,4021/2697 of Village Raila & Khasra no 3123/1516,3124/1514 of Village Lambia Kalan, National Highway -48 , Distt Shahpura

It is further secured by personal guarantee of Shri Rajesh Ranka, CMD of the company.

- b. Working capital facilities are repayable on demand and it carry interest at the rate UCO float rate +0% i.e 8.05% per annum. ( Previous year 8.75% per annum)

**ii. Bank Overdraft**

- a. Bank Overdraft from HDFC bank is secured by way of lien on FDR of Rs. 260.00 lakhs .

- b. It is repayable in 12 months and carry interest at the rate 7.10% per annum. ( Previous year 7.25% per annum)

**iii. Inter Corporate Loans from Related Parties**

It is repayable in 12 months and carry interest at the rate 7.00% per annum.( Previous year 7.00% per annum)

15.1 The Company has filed monthly / quarterly statements with banks and these are in agreement with books of accounts except as mentioned below:

| Quarter | Name of the Bank | Particulars of Securities Provided | Amount as per books of accounts | Amount as reported in the quarterly return/ statement(original/revised) | Amount of Difference | Reason for Material Discrepancies |
|---------|------------------|------------------------------------|---------------------------------|-------------------------------------------------------------------------|----------------------|-----------------------------------|
| Jun-25  | UCO Bank         | Stock & Book Debts                 | 11767.15                        | 10635.75                                                                | 1131.40              | *                                 |
| Sep-25  |                  |                                    | 12602.84                        | 11042.91                                                                | 1559.93              |                                   |
| Dec-25  |                  |                                    | 13430.29                        | 12101.79                                                                | 1328.50              |                                   |
| Mar-26  |                  |                                    | 14615.57                        | 13341.39                                                                | 1,274.18             |                                   |

\*The Company submits drawing power (DP) statements on monthly basis to UCO Bank by 15th of the next month and the difference arises mainly due to filing of stock statements with bank with ageing of trade receivables upto 90 days only.

**16 TRADE PAYABLES**
**₹ in Lakhs**

| PARTICULARS                                                                             | As at          | As at           |
|-----------------------------------------------------------------------------------------|----------------|-----------------|
|                                                                                         | 31.03.2026     | 31.03.2025      |
| Total outstanding dues of Micro enterprises and small enterprises                       | 91.43          | 122.16          |
| Total outstanding dues of creditors other than Micro enterprises and small enterprises* | 3691.62        | 3,400.88        |
|                                                                                         | <b>3783.05</b> | <b>3,523.04</b> |
|                                                                                         | <b>3029.95</b> | <b>2936.01</b>  |

\*Includes amount due to related parties (refer Note 37)

16.1 Balances of trade payables are subject to reconciliation, confirmation and consequential adjustments, if any.

**Notes on Standalone Financial statements for the year ended 31st March, 2026**
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16.2 Disclosures relating to amounts payable as at the year end together with interest paid / payable to Micro and Small Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosure is given below :

**₹ in Lakhs**

| PARTICULARS                                                                                                                                                                                                                                                                | As at      | As at      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                                                                                                                                                                            | 31.03.2026 | 31.03.2025 |
| a The principal amount remaining unpaid to supplier as at the end of the year                                                                                                                                                                                              | 91.43      | 122.16     |
| b Interest due thereon remaining unpaid to supplier as at the end of the year                                                                                                                                                                                              | —          | —          |
| c The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year                         | —          | —          |
| d 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 this Act                                                             | —          | —          |
| e The amount of Interest accrued & remaining unpaid at the end of the year                                                                                                                                                                                                 | —          | —          |
| f 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 this Act. | —          | —          |

**16.3 Trade Payable ageing Schedule**
**As at 31.03.2026**

| Particulars                | Not Due       | Outstanding for periods from due date of payment |              |               |                  |                 |
|----------------------------|---------------|--------------------------------------------------|--------------|---------------|------------------|-----------------|
|                            |               | Less than 1 Year                                 | 1-2 years    | 2-3 years     | More than 3 Year | Total           |
| (i) MSME                   | 89.07         | 2.36                                             | —            | —             | —                | 91.43           |
| (ii) Others                | 479.12        | 239.53                                           | 69.17        | 151.20        | 2,722.18         | 3,661.20        |
| (iii) Disputed dues– MSME  | —             | —                                                | —            | —             | —                | —               |
| (iv) Disputed dues– Others | —             | —                                                | —            | —             | 30.42            | 30.42           |
| <b>TOTAL</b>               | <b>568.19</b> | <b>241.89</b>                                    | <b>69.17</b> | <b>151.20</b> | <b>2,752.60</b>  | <b>3,783.05</b> |

**As at 31.03.2025**

| Particulars                | Not Due       | Outstanding for periods from due date of payment |               |               |                  |                 |
|----------------------------|---------------|--------------------------------------------------|---------------|---------------|------------------|-----------------|
|                            |               | Less than 1 Year                                 | 1-2 years     | 2-3 years     | More than 3 Year | Total           |
| (i) MSME                   | 122.16        | —                                                | —             | —             | —                | 122.16          |
| (ii) Others                | 266.19        | 200.48                                           | 156.80        | 972.75        | 1,760.82         | 3,357.04        |
| (iii) Disputed dues– MSME  | —             | —                                                | —             | —             | —                | —               |
| (iv) Disputed dues– Others | —             | —                                                | —             | —             | 43.84            | 43.84           |
| <b>TOTAL</b>               | <b>388.35</b> | <b>200.48</b>                                    | <b>156.80</b> | <b>972.75</b> | <b>1,804.66</b>  | <b>3,523.04</b> |

**₹ in Lakhs**

| PARTICULARS | As at      | As at      |
|-------------|------------|------------|
|             | 31.03.2026 | 31.03.2025 |

**16 OTHER FINANCIAL LIABILITY**
**Current**

|                                                                                  |          |          |
|----------------------------------------------------------------------------------|----------|----------|
| Share Application Money refundable (Refer note 17.1)                             | 1,450.00 | 1,450.00 |
| Sundry deposits                                                                  | 46.79    | 47.69    |
| Other payable                                                                    | 849.84   | 763.06   |
| Excess Cheques issued in Current Accounts                                        | —        | 28.29    |
| Preference Share Capital                                                         |          |          |
| - 16.50% Cumulative Redeemable Preference Share of Rs. 100/- each fully paid up. | 25.00    | 25.00    |
| - 16% Cumulative Redeemable Preference Share of Rs. 100/- each fully paid up.    | 200.00   | 200.00   |

**2,571.63 2,514.04**

16.1 Share Application Money Rs. 1450 Lakhs has been raised pursuant to restructuring/settlement scheme submitted to BIFR. Consequent to enactment of Sick Industrial Companies (Special Provision) Repeal Act, 2003 (SICA Repeal Act) with effect from 1/12/2016, it became refundable.

**16.2 Preference Share Capital**

- a. Preference Shares Rs. 225 Lakhs were redeemable in F.Y. 2001-02 Rs. 6.25 Lakhs, F.Y. 2002-03 Rs. 72.92 Lakhs F.Y. 2003-04 Rs. 72.92 Lakhs and F.Y. 2004-05 Rs. 72.91 Lakhs. Consequent to enactment of Sick Industrial Companies (Special Provision) Repeal Act, 2003 (SICA Repeal Act) with effect from 1/12/2016, the company is in process of settlement with respective Preference Shareholders.

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
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- b. Interest on cumulative redeemable preference shares amounting to Rs. 36.13 Lakhs for the year and Rs. 1083.87 Lakhs cumulative up to 31.03.2026 (FY 2024-25 Rs. 36.13 Lakhs & cumulative up to 31-03-2025 Rs. 1047.74 Lakhs) has not been provided as the company is in process of settlement of remaining redeemable preference share capital.
- c. The Cumulative Redeemable Preference Share holders are entitled to cumulative interest at the rate specified. Each share holder of Cumulative Redeemable Preference Shares is entitled to one vote per share only on resolution placed before the company, which directly affects the right attached to cumulative redeemable preference share. Since the interest in respect of cumulative preference share holders has not been paid for more than two years, cumulative redeemable preference share holder have right to 10 votes per share on every resolution placed before the company in a meeting.
- d. In the event of liquidation of the company, the holder of cumulative redeemable preference share will have priority over equity share holders in the payment of interest and re-payment of capital.

**e. Details of preference shareholders holding more than 5% shares**
**₹ in Lakhs**

| Name of Shareholders                       | As at 31.03.2026         |               | As at 31.03.2025         |               |
|--------------------------------------------|--------------------------|---------------|--------------------------|---------------|
|                                            | No. of preference shares | % of holding  | No. of preference shares | % of holding  |
| <b>16.50% Preference share holders</b>     |                          |               |                          |               |
| 1) The New India Assurance Company Limited | 25,000                   | 100.00        | 25,000                   | 100.00        |
|                                            | <b>25,000</b>            | <b>100.00</b> | <b>25,000</b>            | <b>100.00</b> |
| <b>16% Preference share holders</b>        |                          |               |                          |               |
| 1) The New India Assurance Company Limited | 1,25,000                 | 62.50         | 1,25,000                 | 62.50         |
| 2) National Insurance Company Limited      | 75,000                   | 37.50         | 75,000                   | 37.50         |
|                                            | <b>2,00,000</b>          | <b>100.00</b> | <b>2,00,000</b>          | <b>100.00</b> |

**f. The Reconciliation of number of Preference share outstanding at the beginning and at the end of the reporting period**

| Name of Shareholders                      | As at 31.03.2026 |                   | As at 31.03.2025 |                   |
|-------------------------------------------|------------------|-------------------|------------------|-------------------|
|                                           | Nos              | Amount ₹ in Lakhs | Nos              | Amount ₹ in Lakhs |
| Outstanding at the beginning of the year  | 2,25,000         | 225.00            | 2,25,000         | 225.00            |
| Add: Shares issued                        | —                | —                 | —                | —                 |
| Less: Redeemed/settled during the year    | —                | —                 | —                | —                 |
| <b>Outstanding at the end of the year</b> | <b>2,25,000</b>  | <b>225.00</b>     | <b>2,25,000</b>  | <b>225.00</b>     |

**₹ in Lakhs**

| PARTICULARS                             | As at 31.03.2026 | As at 31.03.2025 |
|-----------------------------------------|------------------|------------------|
| <b>18 OTHER CURRENT LIABILITIES</b>     |                  |                  |
| Advance from customers                  | 57.33            | 101.52           |
| Other Payable                           | 5.92             | 7.95             |
| Statutory Dues                          | 554.77           | 537.72           |
|                                         | <b>618.02</b>    | <b>647.19</b>    |
| <b>19 PROVISIONS</b>                    |                  |                  |
| <b>Non-current</b>                      |                  |                  |
| <b>For Employees benefit</b>            |                  |                  |
| Gratuity                                | 285.45           | 310.41           |
| Un-availed leave                        | 77.33            | 88.64            |
|                                         | <b>362.78</b>    | <b>399.05</b>    |
| <b>Current</b>                          |                  |                  |
| <b>For Employees benefit</b>            |                  |                  |
| Gratuity                                | 93.73            | 75.56            |
| Un-availed leave                        | 31.03            | 27.40            |
|                                         | <b>124.76</b>    | <b>102.96</b>    |
| <b>20 CURRENT TAX LIABILITIES (Net)</b> |                  |                  |
| Current Tax*                            | 536.68           | —                |
| Less- TDS/TCS*                          | 355.25           | —                |
|                                         | <b>181.43</b>    | <b>—</b>         |

**Current Year Tax calculated on the Basis of provision of Income Tax Act, 1961**
**\*Refer Note 12 for FY 2024-25**

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
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₹ in Lakhs

| PARTICULARS                                                                                                                                                                                                                                                                                                                                       | As at<br>31.03.2026 | As at<br>31.03.2025 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>21 REVENUE FROM OPERATIONS</b>                                                                                                                                                                                                                                                                                                                 |                     |                     |
| Sale of Products                                                                                                                                                                                                                                                                                                                                  | 29,496.45           | 25,543.67           |
| Sale of services                                                                                                                                                                                                                                                                                                                                  | 47.90               | 34.83               |
| Other operating revenue                                                                                                                                                                                                                                                                                                                           |                     |                     |
| Export Incentives/benefits                                                                                                                                                                                                                                                                                                                        | 335.52              | 307.13              |
| Sale of Raw Material                                                                                                                                                                                                                                                                                                                              | 128.94              | 71.04               |
| Scrap Sales                                                                                                                                                                                                                                                                                                                                       | 49.16               | 47.81               |
|                                                                                                                                                                                                                                                                                                                                                   | <b>30,057.97</b>    | <b>26,004.48</b>    |
| <b>22 OTHER INCOME</b>                                                                                                                                                                                                                                                                                                                            |                     |                     |
| Interest received on financial assets carried at amortised cost                                                                                                                                                                                                                                                                                   | 60.27               | 60.05               |
| Rent Income                                                                                                                                                                                                                                                                                                                                       | 1.38                | 0.78                |
| Profit on Sale of PPF                                                                                                                                                                                                                                                                                                                             | 37.70               | 55.24               |
| Gain on Sale of Investment                                                                                                                                                                                                                                                                                                                        | 239.87              | 0.06                |
| Fair value gain on investment*                                                                                                                                                                                                                                                                                                                    | —                   | 160.58              |
| Sundry Balances written back                                                                                                                                                                                                                                                                                                                      | 12.59               | 129.36              |
| Foreign currency transaction and translation gain                                                                                                                                                                                                                                                                                                 | 587.68              | 280.55              |
| Miscellaneous Income                                                                                                                                                                                                                                                                                                                              | 7.69                | 5.51                |
| Gain on exchange traded derivatives**                                                                                                                                                                                                                                                                                                             | 222.06              | 292.88              |
|                                                                                                                                                                                                                                                                                                                                                   | <b>1,169.24</b>     | <b>985.01</b>       |
| * in FY 2025-26, there is fair value loss on investment disclosed in note 28                                                                                                                                                                                                                                                                      |                     |                     |
| ** The Company undertakes trading in exchange-traded Futures and Options (F&O) and commodity derivatives on recognised stock exchanges. These derivative contracts are not designated as hedging instruments and accordingly do not form part of Company's hedge flow programme. There are no open positions of F&O or commodity at the year end. |                     |                     |
| Mutual fund units having a fair value of ₹ 1851.07 lakhs (₹ 2684.78 lakhs) were pledged as margin with the broker (Refer Note No. 4B)                                                                                                                                                                                                             |                     |                     |
| <b>23 COST OF MATERIALS CONSUMED</b>                                                                                                                                                                                                                                                                                                              |                     |                     |
| Raw materials at the beginning of the year                                                                                                                                                                                                                                                                                                        | 3,013.92            | 2,266.69            |
| Add: Purchases                                                                                                                                                                                                                                                                                                                                    | 18,882.16           | 15,799.48           |
| Less: Stock at close                                                                                                                                                                                                                                                                                                                              | 2,855.53            | 3,013.92            |
| <b>COST OF MATERIALS CONSUMED</b>                                                                                                                                                                                                                                                                                                                 | <b>19,040.55</b>    | <b>15,052.25</b>    |
| <b>24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>                                                                                                                                                                                                                                                                           |                     |                     |
| <b>Inventories at the beginning of the year</b>                                                                                                                                                                                                                                                                                                   |                     |                     |
| Finished Goods                                                                                                                                                                                                                                                                                                                                    | 3,639.95            | 3,668.22            |
| Work in Process                                                                                                                                                                                                                                                                                                                                   | 896.05              | 854.06              |
|                                                                                                                                                                                                                                                                                                                                                   | <b>4,536.00</b>     | <b>4,522.28</b>     |
| <b>Inventories at the end of the year</b>                                                                                                                                                                                                                                                                                                         |                     |                     |
| Finished Goods                                                                                                                                                                                                                                                                                                                                    | 5,534.77            | 3,639.95            |
| Work in Process                                                                                                                                                                                                                                                                                                                                   | 1,359.03            | 896.05              |
|                                                                                                                                                                                                                                                                                                                                                   | <b>6,893.80</b>     | <b>4,536.00</b>     |
| <b>Changes In Inventories</b>                                                                                                                                                                                                                                                                                                                     | <b>(2,357.80)</b>   | <b>(13.72)</b>      |
| <b>25 EMPLOYEE BENEFITS EXPENSE</b>                                                                                                                                                                                                                                                                                                               |                     |                     |
| Salaries and Wages                                                                                                                                                                                                                                                                                                                                | 4,062.06            | 3,541.84            |
| Contribution to Provident Fund & Other Funds                                                                                                                                                                                                                                                                                                      | 205.98              | 194.66              |
| Employees Welfare Expenses                                                                                                                                                                                                                                                                                                                        | 125.14              | 95.25               |
|                                                                                                                                                                                                                                                                                                                                                   | <b>4,393.18</b>     | <b>3,831.75</b>     |
| <b>26 FINANCE COSTS</b>                                                                                                                                                                                                                                                                                                                           |                     |                     |
| Interest on borrowings                                                                                                                                                                                                                                                                                                                            | 192.46              | 46.77               |
| Interest to others                                                                                                                                                                                                                                                                                                                                | 104.65              | 71.40               |
| Interest Expenses on lease liability                                                                                                                                                                                                                                                                                                              | 0.11                | 0.05                |
| Interest on Income tax payment                                                                                                                                                                                                                                                                                                                    | —                   | 5.41                |
|                                                                                                                                                                                                                                                                                                                                                   | <b>297.22</b>       | <b>123.63</b>       |
| <b>27 DEPRECIATION AND AMORTISATION EXPENSE</b>                                                                                                                                                                                                                                                                                                   |                     |                     |
| Depreciation of Property, Plant and Equipment (Note 3A)                                                                                                                                                                                                                                                                                           | 461.73              | 443.53              |
| Amortisation of Right of use Assets (Note 3C)                                                                                                                                                                                                                                                                                                     | 7.72                | 7.28                |
|                                                                                                                                                                                                                                                                                                                                                   | <b>469.45</b>       | <b>450.81</b>       |

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| PARTICULARS                                                                        | As at<br>31.03.2026 | As at<br>31.03.2025 |
|------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>28 OTHER EXPENSES</b>                                                           |                     |                     |
| <b>Manufacturing Expenses</b>                                                      |                     |                     |
| Packing Material                                                                   | 394.90              | 337.01              |
| Stores & Spares                                                                    | 1,175.90            | 1,197.83            |
| Power and fuel                                                                     | 3,034.84            | 2,857.95            |
| Job charges                                                                        | 303.63              | 164.64              |
| <b>Repairs &amp; Maintenance :</b>                                                 |                     |                     |
| Plant and Equipment                                                                | 166.46              | 154.90              |
| Building                                                                           | 105.12              | 184.27              |
| Others                                                                             | 22.81               | 21.16               |
|                                                                                    | <b>5,203.66</b>     | <b>4,917.76</b>     |
| <b>Administrative and Selling Expenses</b>                                         |                     |                     |
| Rent                                                                               | 45.14               | 40.95               |
| Insurance                                                                          | 20.18               | 20.16               |
| Rates and Taxes                                                                    | 22.50               | 21.14               |
| Travelling and Conveyance                                                          | 181.54              | 207.38              |
| Legal and Professional expenses                                                    | 114.95              | 87.76               |
| Bank Charges                                                                       | 47.25               | 33.88               |
| Directors Fees                                                                     | 0.73                | 0.66                |
| Share listing fees & Demat Charges                                                 | 10.63               | 10.67               |
| F & O Business Expenses                                                            | 145.90              | 167.73              |
| Payment to Auditors                                                                |                     |                     |
| For Audit Fee                                                                      | 3.50                | 2.50                |
| For Tax Audit Fee                                                                  | 0.75                | 0.75                |
| For Expenses                                                                       | 1.15                | 1.05                |
| For Certification                                                                  | 1.60                | 1.20                |
| Corporate social responsibility Expenses                                           | 65.00               | 105.00              |
| Donation                                                                           | 109.04              | 111.32              |
| Investments Written Off                                                            | —                   | 0.34                |
| Miscellaneous expenses                                                             | 146.01              | 155.86              |
| Commission and Brokerage                                                           | 283.87              | 237.51              |
| Carriage outward (net)                                                             | 772.85              | 813.87              |
| Rebate, Claims and Discounts                                                       | 23.61               | —                   |
| Others Selling expenses*                                                           | 239.22              | 115.32              |
| Fair value Loss on Investment**                                                    | 87.14               | —                   |
| Bad Debts                                                                          | 8.77                | —                   |
| Provision for Doubtful debts                                                       | 1.03                | 15.94               |
|                                                                                    | <b>2,332.36</b>     | <b>2,150.99</b>     |
|                                                                                    | <b>7,536.02</b>     | <b>7,068.75</b>     |
| *includes prior period expense of Rs.121.30 Lakhs                                  |                     |                     |
| ** in FY 2024-25, there was fair value gain on investment disclosed in Note No. 22 |                     |                     |
| <b>29 EXCEPTIONAL ITEMS</b>                                                        |                     |                     |
| Income                                                                             | —                   | —                   |
| Expense                                                                            | —                   | —                   |
|                                                                                    | <b>—</b>            | <b>—</b>            |
| <b>30 INCOME TAXES</b>                                                             |                     |                     |
| <b>a) Tax Expenses</b>                                                             |                     |                     |
| <b>Current tax</b>                                                                 |                     |                     |
| Current tax Charge                                                                 | 536.68              | 118.80              |
| Adjustment in respect of current tax for earlier years                             | 8.31                | 19.67               |
|                                                                                    | <b>544.99</b>       | <b>138.47</b>       |
| Deferred Tax*                                                                      | —                   | —                   |
| <b>Income tax expense for the year</b>                                             | <b>544.99</b>       | <b>138.47</b>       |

**Notes on Standalone Financial statements for the year ended 31st March, 2026**

CIN NO. L17115RJ1980PLC002075

**b) Deferred tax movement**
**31st March, 2026**

| Particulars                                  | Net Balance<br>as at 1st<br>April 2025 | Not Recognised<br>in Statement<br>of profit and loss | Not<br>Recognised<br>in OCI | Net Deferred<br>tax assets/<br>(liabilities) |
|----------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|----------------------------------------------|
| <b>Deferred tax assets</b>                   |                                        |                                                      |                             |                                              |
| Other expenses allowable on payment basis    | 172.78                                 | 7.81                                                 | –                           | 180.59                                       |
| Provision for gratuity                       | 97.14                                  | 12.66                                                | (14.37)                     | 95.43                                        |
| Derivative Financial Asset                   | (0.28)                                 | –                                                    | 0.28                        | –                                            |
| <b>Deferred tax liabilities</b>              |                                        |                                                      |                             |                                              |
| Temporary difference of depreciable assets   | (101.08)                               | (17.77)                                              | –                           | (118.85)                                     |
| <b>Net Deferred tax assets/(liabilities)</b> | <b>168.56</b>                          | <b>2.70</b>                                          | <b>(14.09)</b>              | <b>157.17</b>                                |

\*The Net Deferred Tax Assets has not been recognized in the financial statement as it is not probable that future taxable profits will be available against which deferred tax assets can be utilised. Accordingly deferred tax credit/( charge) for the year not recognised in the statement of Profit and Loss.

**31st March, 2025**

| Particulars                                  | Net Balance<br>as at 1st<br>April 2024 | Not Recognised<br>in Statement<br>of profit and loss | Not<br>Recognised<br>in OCI | Net Deferred<br>tax assets/<br>(liabilities) |
|----------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|----------------------------------------------|
| <b>Deferred tax assets</b>                   |                                        |                                                      |                             |                                              |
| Other expenses allowable on payment basis    | 172.67                                 | 0.11                                                 | –                           | 172.78                                       |
| Provision for gratuity                       | 85.63                                  | 16.52                                                | (5.01)                      | 97.14                                        |
| Derivative Financial Asset                   | –                                      | –                                                    | (0.28)                      | (0.28)                                       |
| <b>Deferred tax liabilities</b>              |                                        |                                                      |                             |                                              |
| Temporary difference of depreciable assets   | (100.05)                               | (1.03)                                               | –                           | (101.08)                                     |
| <b>Net Deferred tax assets/(liabilities)</b> | <b>158.25</b>                          | <b>15.60</b>                                         | <b>(5.29)</b>               | <b>168.56</b>                                |

\*The Net Deferred Tax Assets has not been recognized in the financial statement as it is not probable that future taxable profits will be available against which deferred tax assets can be utilised. Accordingly deferred tax credit/( charge) for the year not recognised in the statement of Profit and Loss.

**c) A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate for the year indicated are as follows :**
**₹ in Lakhs**

| Particulars                                                                 | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025 |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
| Profit before taxes                                                         | 1848.59                      | 475.40                       |
| Enacted tax rate in India                                                   | 25.17%                       | 25.17%                       |
| Income tax at statutory tax rate                                            | 465.25                       | 119.65                       |
| <b>Income tax effect of:</b>                                                |                              |                              |
| Effect of non deductible expenses                                           | 87.49                        | 1.67                         |
| Others                                                                      | 7.31                         | (18.12)                      |
| Current tax for earlier year                                                | 8.31                         | 19.67                        |
| Effect of Income which is taxed at special rates                            | (26.07)                      | –                            |
| Deferred tax credit/(Charge) not recognised in statement of Profit and Loss | 2.70                         | 15.60                        |
| <b>Total tax</b>                                                            | <b>544.99</b>                | <b>138.47</b>                |

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| PARTICULARS                                                                                                           | As at<br>31.03.2026                             | As at<br>31.03.2025                             |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| <b>31 EARNINGS PER SHARE</b>                                                                                          |                                                 |                                                 |
| Profit after exceptional items and tax                                                                                | 1303.60                                         | 336.93                                          |
| Weighted Avg. No. of Equity Shares outstanding during the year for Basic and diluted Earning Per Shares               | 34775160                                        | 34775160                                        |
| Nominal Value of Shares (in Rs.)                                                                                      | 10.00                                           | 10.00                                           |
| Basic Earning per Share (in Rs.)                                                                                      | 3.75                                            | 0.97                                            |
| Diluted earning per share (in Rs.)                                                                                    | 3.75                                            | 0.97                                            |
| <b>32 CONTINGENT LIABILITIES AND COMMITMENTS</b>                                                                      |                                                 |                                                 |
| <b>(A) CONTINGENT LIABILITIES</b>                                                                                     |                                                 |                                                 |
| i. Bank Guarantees<br>(amount paid their against by way of FDR Rs. 373.94 lakhs, Previous year Rs. 58.98 lakhs)       | 355.44                                          | 45.11                                           |
| ii. Disputed Income Tax Demand<br>(amount paid Rs. 11.71 Lakhs, Previous year Rs. 11.71 Lakhs)                        | 112.24                                          | 11.71                                           |
| iii. Other disputed demands by Government departments<br>(amount paid Rs. 24.42 Lakhs, Previous year Rs. 22.99 Lakhs) | 120.70                                          | 111.93                                          |
| iv. Disputed liabilities and claim not acknowledged as debts                                                          | 53.07                                           | 48.58                                           |
| <b>(B) COMMITMENT</b>                                                                                                 |                                                 |                                                 |
| (a) Estimated amount of Contracts remaining to be executed on capital account and not provided for.                   | 176.73                                          | 463.58                                          |
| (b) Advance paid their against                                                                                        | 106.40                                          | 118.17                                          |
| <b>33 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES</b>                                              |                                                 |                                                 |
| a) Gross amount required to be spent as per section 135 of the act                                                    | 36.66                                           | 38.69                                           |
| <b>b) Amount spent during the year</b>                                                                                |                                                 |                                                 |
| i) Construction/acquisition of any assets                                                                             | —                                               | —                                               |
| ii) On projects other than (i) above                                                                                  | 65.00                                           | 105.00                                          |
| <b>c) Excess amount spent under Section 135(5)</b>                                                                    |                                                 |                                                 |
| Brought forwarded excess/(short) balance at beginning of the year                                                     | 102.90                                          | 36.59                                           |
| Amount required to be spent during the year                                                                           | 36.66                                           | 38.69                                           |
| Actual amount spent/incurred during the year                                                                          | 65.00                                           | 105.00                                          |
| Carried forward excess/(short) balance at end of the year                                                             | 131.24                                          | 102.90                                          |
| <b>d) Reason for shortfalls</b>                                                                                       | —                                               | —                                               |
| <b>e) Nature Of CSR Activity</b>                                                                                      | Animal welfare,<br>health care and<br>education | Animal welfare,<br>health care and<br>education |
| <b>f) Details of Related party transactions :</b>                                                                     |                                                 |                                                 |
| H.M. Ranka Foundation (CMD is trustee)                                                                                | 25.00                                           | 25.00                                           |
| S.L. Ranka Foundation (CMD is trustee)                                                                                | —                                               | 18.00                                           |
| Acharya Shri Nanesh Samta Vikas Trust (CMD is trustee)                                                                | 40.00                                           | 62.00                                           |
| <b>g) Where provision is made with respect to a liability incurred by entering into contractual obligations</b>       |                                                 |                                                 |
| The movement in Provision during the year                                                                             | NIL                                             | NIL                                             |

**34 LEASES**

The Company's leased asset primarily consist of leases for land

Changes in the carrying value of Right of use assets are:

₹ in Lakhs

| Particulars                         | Lease Hold Land |
|-------------------------------------|-----------------|
| <b>Balance as at April 1, 2024</b>  | <b>392.79</b>   |
| Additions                           | 51.86           |
| Disposals/Adjustments               | —               |
| Amortisation ( Refer Note 3C)       | 7.28            |
| <b>Balance as at March 31, 2025</b> | <b>437.37</b>   |
| Additions                           | 4.52            |
| Disposals/Adjustments               | —               |
| Amortisation ( Refer Note 3C)       | 7.72            |
| <b>Balance as at March 31, 2026</b> | <b>434.17</b>   |

The amortisation of ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

**Notes on Standalone Financial statements for the year ended 31st March, 2026**  
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**Movement in lease liabilities:**
**₹ in Lakhs**

| Particulars                      | As at 31st<br>March, 2026 | As at 31st<br>March, 2025 |
|----------------------------------|---------------------------|---------------------------|
| Opening Balance                  | 1.13                      | 0.56                      |
| Additions                        | —                         | 0.54                      |
| Interest accrued during the year | 0.11                      | 0.05                      |
| Payment of lease liabilities     | 0.03                      | 0.02                      |
| Closing Balance                  | <b>1.21</b>               | <b>1.13</b>               |

**Break-up of current and non-current lease liabilities :**

|                                  |             |             |
|----------------------------------|-------------|-------------|
| - Current lease liabilities      | 0.21        | 0.10        |
| - Non- Current lease liabilities | 1.00        | 1.03        |
| <b>Total</b>                     | <b>1.21</b> | <b>1.13</b> |

**Breakup of contractual maturities of lease liabilities on an undiscounted basis:**

|                                             |      |      |
|---------------------------------------------|------|------|
| Within one year                             | 0.23 | 0.10 |
| Later than one year but not later than five | 0.38 | 0.38 |
| Later than five years                       | 9.32 | 9.41 |

**Amount recognised in Statement of Profit and Loss**
**₹ in Lakhs**

| Particulars                            | Year ended<br>March, 31, 2026 | Year ended<br>March, 31, 2025 |
|----------------------------------------|-------------------------------|-------------------------------|
| Depreciation of right of use assets    | 7.72                          | 7.28                          |
| Interest Expenses on lease liabilities | 0.11                          | 0.05                          |
| Expenses relating to short term lease  | 45.14                         | 40.95                         |

**35 EMPLOYEE BENEFITS**
**i) Defined Contributions**

The company makes contributions towards provident fund to a defined contribution retirement benefit plan. It is recognised as an expense and included in employee benefit expense.

| Particulars                                          | As at 31st<br>March, 2026 | As at 31st<br>March, 2025 |
|------------------------------------------------------|---------------------------|---------------------------|
| Employer's Contribution to government Provident Fund | 136.22                    | 128.04                    |

**ii) Defined benefits**
**a) Gratuity**

In accordance with the provisions of payment of Gratuity Act, 1972 the company has a defined benefits plan which provides for gratuity payments. Every employee who has completed continuous service of 5 years or more gets a gratuity on retirement/termination at 15 days salary (last drawn) for each completed year of service. Liabilities in respect of gratuity plan are determined by an actuarial valuation. Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employees benefits obligation as at balance sheet date.

**Change in present value of the defined benefit obligation :**
**₹ in Lakhs**

| Particulars                                                  | 2025-26       | 2024-25       |
|--------------------------------------------------------------|---------------|---------------|
| Present Value of obligation as at the beginning of the year  | 385.97        | 340.22        |
| Current service cost                                         | 68.62         | 74.06         |
| Interest cost                                                | 26.98         | 24.57         |
| Past Service Cost                                            | —             | —             |
| Actuarial (gain)/loss                                        | (57.08)       | (19.90)       |
| Benefit paid                                                 | (45.31)       | (32.98)       |
| <b>Present value of obligation as at the end of the year</b> | <b>379.18</b> | <b>385.97</b> |

**Amount recognized in the balance sheet:**
**₹ in Lakhs**

| Particulars                                 | 2025-26       | 2024-25       |
|---------------------------------------------|---------------|---------------|
| Present value of defined benefit obligation | 379.18        | 385.97        |
| Fair value of plan assets                   | —             | —             |
| Net liability                               | 379.18        | 385.97        |
| Amounts shown in the balance sheet          |               |               |
| Current Provisions                          | 93.73         | 75.56         |
| Non-current Provisions                      | 285.45        | 310.41        |
| <b>Net liability</b>                        | <b>379.18</b> | <b>385.97</b> |

**Amount recognized in Profit and Loss:**
**₹ in Lakhs**

| Particulars                                        | 2025-26      | 2024-25      |
|----------------------------------------------------|--------------|--------------|
| Current service cost                               | 68.62        | 74.06        |
| Past service cost                                  | —            | —            |
| Interest cost                                      | 26.98        | 24.57        |
| <b>Total amount recognized in Profit and Loss:</b> | <b>95.60</b> | <b>98.63</b> |

**Notes on Standalone Financial statements for the year ended 31st March, 2026**
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**Amount recognized in other comprehensive income:**
**₹ in Lakhs**

| Particulars                                                                 | 2025-26        | 2024-25        |
|-----------------------------------------------------------------------------|----------------|----------------|
| Actuarial (Gain)/Loss arising from change in demographic assumptions        | —              | —              |
| Actuarial (Gain)/Loss arising from change in financing assumptions          | (25.93)        | 7.54           |
| Actuarial (Gain)/Loss arising from change in experience adjustment          | (31.15)        | (27.44)        |
| Return on plan assets less interest on plan assets                          | —              | —              |
| <b>Total Actuarial (Gain)/Loss recognised in other comprehensive income</b> | <b>(57.08)</b> | <b>(19.90)</b> |

**Change in the present value of defined benefit obligation and the fair value of the plan assets:**
**₹ in Lakhs**

| Particulars                                                 | 2025-26         | 2024-25         |
|-------------------------------------------------------------|-----------------|-----------------|
| Present value of obligation at year end                     | 379.18          | 385.97          |
| Fair value of plan assets at year end                       | —               | —               |
| <b>Assets/(Liabilities) recognized in the Balance Sheet</b> | <b>(379.18)</b> | <b>(385.97)</b> |

**Actuarial assumption**

| Particulars                                          | 2025-26                   | 2024-25                   |
|------------------------------------------------------|---------------------------|---------------------------|
| Discount rate*                                       | 7.78%                     | 6.99%                     |
| Expected return on plan assets                       | —                         | —                         |
| Employee turnover ratio                              | 6.00%                     | 6.00%                     |
| Salary escalation rate**                             | 7.50%                     | 7.50%                     |
| Mortality rate inclusive of provision for disability | 100% of IALM<br>(2012–14) | 100% of IALM<br>(2012–14) |

\* The discount rate assumption is based on market yield on government bonds at the balance sheet date .

\*\* The estimates of future salary increase considered in actuarial valuation, taking into account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis.

**Sensitivity analysis**

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have effected the defined benefit obligation by the amount shown below.

| Particulars                                       | 2025-26 | 2024-25 |
|---------------------------------------------------|---------|---------|
| <b>a) Impact of the change in discount rate</b>   |         |         |
| Impact due to increase of 0.50%                   | (15.85) | (17.47) |
| Impact due to decrease of 0.50%                   | 17.45   | 19.30   |
| <b>b) Impact of the change in salary increase</b> |         |         |
| Impact due to increase of 0.50%                   | 17.32   | 18.96   |
| Impact due to decrease of 0.50%                   | (15.94) | (17.31) |

**Expected Maturity analysis of the defined benefits plan in future years**
**₹ in Lakhs**

| Particulars   | 2025-26 | 2024-25 |
|---------------|---------|---------|
| Within 1 year | 93.73   | 75.56   |
| 1–2 year      | 15.01   | 33.82   |
| 2–3 year      | 15.29   | 15.38   |
| 3–4 year      | 31.04   | 15.27   |
| 4–5 year      | 16.78   | 28.18   |
| 5–6 year      | 9.78    | 14.85   |
| over 6 years  | 197.55  | 202.91  |

**Risk exposure**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow-

- Salary Increase- Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations which also increase the liability.
- Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate- Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact liability.

**b Compensated Absences:**

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

**36 SEGMENT INFORMATION**

- Based on the management approach as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators of business segment/s in which the company operates. The Company is primarily engaged in the business of textile manufacturing which the management and CODM recognise as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly not provided.

**Notes on Standalone Financial statements for the year ended 31st March, 2026**
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- b. The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

|                                 | ₹ in Lakhs      |                  |
|---------------------------------|-----------------|------------------|
| Particulars                     | 2025-26         | 2024-25          |
| Revenue from external customers | 9429.19         | 8,923.65         |
| In India                        | 20628.78        | 17,080.83        |
|                                 | <b>30057.97</b> | <b>26,004.48</b> |

Detail of Country wise Revenue from Major Countries (top 10)

| Particulars    | 2025-26        | 2024-25        |
|----------------|----------------|----------------|
| Italy          | 1670.57        | 2475.30        |
| Germany        | 1266.34        | 1108.90        |
| Japan          | 991.87         | 819.77         |
| Portugal       | 803.43         | 804.82         |
| United Kingdom | 882.84         | 378.55         |
| South Korea    | 659.74         | *              |
| Algeria        | 519.83         | 457.43         |
| Taiwan         | 508.58         | 298.80         |
| Turkey         | 502.62         | 466.44         |
| Spain          | 277.60         | *              |
| Tunisia        | *              | 395.33         |
| Poland         | *              | 393.20         |
| Others         | 1345.77        | 1325.11        |
|                | <b>9429.19</b> | <b>8923.65</b> |

\*Not forming part of Top 10 Countries for exports

**37 RELATED PARTY DISCLOSURE**
**i) Names and Relationship of related parties**

- a) Wholly Owned foreign Subsidiary Company  
Modern Woollens UK Limited
- b) Key Managerial personnel  
Shri Rajesh Ranka (Chairman and Managing Director)  
Shri Ram Awatar Kabra (Executive Director) : Resigned w.e.f. 07.01.2026  
Shri Prabodh Kumar Nahar (Whole-Time Director & CFO) Appointed w.e.f. 07/01/2026  
Shri Prabodh Kumar Nahar (CFO) upto 06/01/2026  
Shri Anil Kumar Jain (Company Secretary): Appointed w.e.f 14/11/2024  
Shri Banwari Lal Saini (Company Secretary) : Resigned w.e.f 06/11/2024
- c) Non Executive Directors/ Independent directors  
Smt. Veena Jain (Non-executive Non-Independent Director)  
Shri Jagdish Narayan Sharma (Non-executive Independent Director) : Resigned w.e.f 28/02/2025  
Shri Mukesh Kumar Soni (Non-executive Independent Director) Appointed w.e.f 14/11/2024  
Shri Chhitar Mal Jain (Non-executive Independent Director)  
Smt. Ankita Jain (Non-executive Independent Director)
- d) Enterprises over which KMP have significant influence:  
Modern Polytex Limited (CMD is CMD in this company)  
Acharya Shri Nanesh Samta Vikas Trust (CMD is Trustee)  
H.M. Ranka Foundation (CMD is Trustee)  
S.L. Ranka Foundation (CMD is Trustee)  
Invitation Investment Private Limited (Smt Laitha Ranka, Spouse of CMD is Director)

**ii) Transactions with related parties and outstanding at the end of the year:**
**Name of related parties and nature of the transactions**
**a Modern Woollens UK Limited-Subsidiary**

|                         | ₹ in Lakhs |         |
|-------------------------|------------|---------|
| Nature of Transactions  | 2025-26    | 2024-25 |
| Investment in Shares*   | 0.00       | —       |
| Sale of goods           | 740.92     | —       |
| Intercompany Loan Given | 43.93      | —       |
| Interest Income         | 1.42       | —       |

\*Only Rs. 121 (Previous year Rs. Nil)

| b Key Managerial Personnel                            | 2025-26                              |                              | 2024-25                              |                              |
|-------------------------------------------------------|--------------------------------------|------------------------------|--------------------------------------|------------------------------|
|                                                       | Salaries and other employee benefits | Company's Contribution to PF | Salaries and other employee benefits | Company's Contribution to PF |
| Shri Rajesh Ranka (CMD)                               | 51.60                                | —                            | 48.00                                | 5.76                         |
| Shri Prabodh kumar Nahar (CFO)                        | 17.86                                | 1.57                         | 21.37                                | 1.91                         |
| Shri Prabodh kumar Nahar (WTD & CFO)                  | 5.02                                 | 0.48                         | —                                    | —                            |
| Shri Banwari Lal Saini (CS)-Resigned w.e.f 06/11/2024 | —                                    | —                            | 4.70                                 | 0.36                         |
| Shri Ram Awatar Kabra (ED)                            | 17.73                                | 1.87                         | 21.68                                | 1.87                         |
| Shri Anil Kumar Jain (CS)-Appointed w.e.f 14/11/2024  | 8.99                                 | 0.83                         | 3.36                                 | 0.29                         |
| <b>Total</b>                                          | <b>101.20</b>                        | <b>4.75</b>                  | <b>99.11</b>                         | <b>10.19</b>                 |

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Liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole. Accordingly the amount for gratuity and compensated absences pertaining to key management personnel is not ascertainable and, therefore, not included above.

| c | <b>Sitting fees paid to Independent Directors</b>                 | <b>2025-26</b> |        | <b>2024-25</b> |        |
|---|-------------------------------------------------------------------|----------------|--------|----------------|--------|
|   |                                                                   |                |        |                |        |
|   | Smt. Veena Jain                                                   |                | 0.11   |                | 0.11   |
|   | Shri Jagdish Narayan Sharma                                       |                | —      |                | 0.03   |
|   | Shri Mukesh Kumar Soni                                            |                | 0.14   |                | 0.04   |
|   | Shri Chhitar Mal Jain                                             |                | 0.24   |                | 0.24   |
|   | Smt. Ankita Jain                                                  |                | 0.24   |                | 0.24   |
| d | <b>Enterprises in which directors have significant influence:</b> | <b>2025-26</b> |        | <b>2024-25</b> |        |
|   |                                                                   |                |        |                |        |
|   | Unsecured Loan Taken Modern Polytex Limited (CMD)                 |                | —      |                | 600.00 |
|   | Unsecured Loan Taken Invitation Investment Private Limited        |                | —      |                | 255.00 |
|   | Unsecured Loan Repaid Modern Polytex Limited (CMD)                |                | 25.00  |                | —      |
|   | Purchase of goods & services Modern Polytex Limited (CMD)         |                | —      |                | —      |
|   | Interest on Unsecured Loan Modern Polytex Limited (CMD)           |                | 40.82  |                | 20.71  |
|   | Interest Exp. Modern Polytex Limited (CMD)                        |                | 104.38 |                | 69.59  |
|   | Interest on Unsecured Loan Invitation Investment Private Limited  |                | 17.85  |                | 13.60  |
|   | CSR Expenses S.L. Ranka Foundation (Trustee)                      |                | —      |                | 18.00  |
|   | CSR Expenses Acharya Shri Nanesh Samta Vikas Trust                |                | 40.00  |                | 62.00  |
|   | CSR Expenses H.M. Ranka Foundation (Trustee)                      |                | 25.00  |                | 25.00  |

**Balance of related parties at the year end**

| <b>PARTICULARS</b>   | <b>Name of Related Parties</b>        | <b>As at</b>      |  | <b>As at</b>      |  |
|----------------------|---------------------------------------|-------------------|--|-------------------|--|
|                      |                                       | <b>31.03.2026</b> |  | <b>31.03.2025</b> |  |
| Loans ( Non Current) | Modern Woollens UK Limited            | 43.93             |  | —                 |  |
| Interest Receivable  | Modern Woollens UK Limited            | 1.13              |  | —                 |  |
| Trade Receivables    | Modern Woollens UK Limited            | 775.92            |  | —                 |  |
| Trade Payables       | Modern Polytex Limited                | 3029.95           |  | 2936.01           |  |
| Borrowings-current   | Modern Polytex Limited                | 575.00            |  | 600.00            |  |
| Borrowings-current   | Invitation Investment Private Limited | 255.00            |  | 255.00            |  |

**Terms and conditions:**

All the transactions with related parties were made on normal commercial terms and conditions and at market rates.

**38 Financial Instruments**
**i. Financial Instruments by Category**
**₹ in Lakhs**

| <b>As at March 31, 2026</b>               | <b>Carrying Amount</b> |                 |                       |                             | <b>Fair Value</b> |                |                |
|-------------------------------------------|------------------------|-----------------|-----------------------|-----------------------------|-------------------|----------------|----------------|
|                                           | <b>FVTOCI</b>          | <b>FVTPL</b>    | <b>Amortised Cost</b> | <b>Total Carrying Value</b> | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> |
| <b>Financial assets</b>                   |                        |                 |                       |                             |                   |                |                |
| <b>Non current Financial assets</b>       |                        |                 |                       |                             |                   |                |                |
| Loans                                     | -                      | -               | 45.06                 | 45.06                       | -                 | -              | -              |
| Investment in National Saving Certificate | -                      | -               | 0.48                  | 0.48                        | -                 | -              | -              |
| Other financial assets                    | -                      | -               | 1,019.44              | 1,019.44                    | -                 | -              | -              |
| <b>Current Financial assets</b>           |                        |                 |                       |                             |                   |                |                |
| Investments                               |                        |                 |                       |                             |                   |                |                |
| -Mutual Funds                             | -                      | 1,889.52        | -                     | 1,889.52                    | 1,889.52          | -              | -              |
| -Debentures                               | -                      | 110.00          | -                     | 110.00                      | -                 | 110.00         | -              |
| Other financial assets                    | -                      | -               | 51.74                 | 51.74                       | -                 | -              | -              |
| Trade receivables                         | -                      | -               | 4,703.46              | 4,703.46                    | -                 | -              | -              |
| Cash and cash equivalents                 | -                      | -               | 420.30                | 420.30                      | -                 | -              | -              |
| Other Bank Balances                       | -                      | -               | 11.59                 | 11.59                       | -                 | -              | -              |
| <b>Total</b>                              | -                      | <b>1,999.52</b> | <b>6,252.07</b>       | <b>8,251.59</b>             | <b>1,889.52</b>   | <b>110.00</b>  | -              |
| <b>Financial liabilities</b>              |                        |                 |                       |                             |                   |                |                |
| <b>Non current Financial liabilities</b>  |                        |                 |                       |                             |                   |                |                |
| Lease Liabilities                         | -                      | -               | 1.00                  | 1.00                        | -                 | -              | -              |
| <b>Current Financial liabilities</b>      |                        |                 |                       |                             |                   |                |                |
| Borrowings                                | -                      | -               | 3,264.85              | 3,264.85                    | -                 | -              | -              |
| Lease Liabilities                         | -                      | -               | 0.21                  | 0.21                        | -                 | -              | -              |
| Other financial liabilities               | -                      | -               | 2,571.63              | 2,571.63                    | -                 | -              | -              |
| Trade payables                            | -                      | -               | 3,783.05              | 3,783.05                    | -                 | -              | -              |
| <b>Total</b>                              | -                      | -               | <b>9,620.74</b>       | <b>9,620.74</b>             | -                 | -              | -              |

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₹ in Lakhs

| As at March 31, 2025                      | Carrying Amount |                 |                 |                      | Fair Value      |               |          |
|-------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|---------------|----------|
|                                           | FVTOCI          | FVTPL           | Amortised Cost  | Total Carrying Value | Level 1         | Level 2       | Level 3  |
| <b>Financial assets</b>                   |                 |                 |                 |                      |                 |               |          |
| <b>Non current Financial assets</b>       |                 |                 |                 |                      |                 |               |          |
| Investment in National Saving Certificate | -               | -               | 0.48            | 0.48                 | -               | -             | -        |
| Other financial assets                    |                 |                 | 681.69          | 681.69               | -               | -             | -        |
| <b>Current Financial assets</b>           |                 |                 |                 |                      |                 |               |          |
| Investments                               |                 |                 |                 |                      |                 |               |          |
| -Mutual Funds                             | -               | 2,722.96        | -               | 2,722.96             | 2722.96         | -             | -        |
| -Debentures                               | -               | 110.00          | -               | 110.00               | -               | 110.00        | -        |
| Other financial assets                    | 1.10            | -               | 54.33           | 55.43                | -               | 1.10          | -        |
| Trade receivables                         | -               | -               | 4,686.98        | 4,686.98             | -               | -             | -        |
| Cash and cash equivalents                 | -               | -               | 86.71           | 86.71                | -               | -             | -        |
| Other Bank Balances                       | -               | -               | 94.66           | 94.66                | -               | -             | -        |
| <b>Total</b>                              | <b>1.10</b>     | <b>2,832.96</b> | <b>5,604.85</b> | <b>8,438.91</b>      | <b>2,722.96</b> | <b>111.10</b> | <b>-</b> |
| <b>Financial liabilities</b>              |                 |                 |                 |                      |                 |               |          |
| <b>Non current Financial liabilities</b>  |                 |                 |                 |                      |                 |               |          |
| Lease Liabilities                         |                 |                 | 1.03            | 1.03                 | -               | -             | -        |
| <b>Current Financial liabilities</b>      |                 |                 |                 |                      |                 |               |          |
| Borrowings                                | -               | -               | 2,103.47        | 2,103.47             | -               | -             | -        |
| Lease Liabilities                         | -               | -               | 0.10            | 0.10                 | -               | -             | -        |
| Other financial liabilities               | -               | -               | 2,514.04        | 2,514.04             | -               | -             | -        |
| Trade payables                            | -               | -               | 3,523.04        | 3,523.04             | -               | -             | -        |
| <b>Total</b>                              | <b>-</b>        | <b>-</b>        | <b>8,141.68</b> | <b>8,141.68</b>      | <b>-</b>        | <b>-</b>      | <b>-</b> |

**Financial Instruments measured at amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Fair Value Hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are whether observable or unobservable and consists of the following three levels:

Level 1: The fair value of financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: Inputs which are not based on observable market data, the instrument is included in level 3.

**39 Capital and Financial Risk Management**

**A Capital Management**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to "provide returns for shareholders "and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital".

The Company's adjusted net debt to equity ratio is as follows.

₹ in Lakhs

| Particulars                     | 2025-26          | 2024-25          |
|---------------------------------|------------------|------------------|
| Non - Current Borrowings        | -                | -                |
| Current Borrowings              | 3,264.85         | 2,103.47         |
| <b>Gross Debt</b>               | <b>3,264.85</b>  | <b>2,103.47</b>  |
| Less : Cash and cash equivalent | 420.30           | 86.71            |
| Less : Other Bank Deposits      | 11.59            | 83.81            |
| <b>Adjusted net debt</b>        | <b>2,832.96</b>  | <b>1,932.95</b>  |
| <b>Total Equity</b>             | <b>14,631.65</b> | <b>13,272.07</b> |
| Adjusted Net Debt Equity Ratio  | 0.19             | 0.15             |

There have been no financial breaches in the financial covenants of any borrowings during the year ended 31st March 2026.

**B Financial Risk Management**

The Company's activities are exposed credit risk, liquidity risk and market risk (including foreign currency risk, interest rate risk and commodity price risk)

**i Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has put in place a structured governance mechanism whereby executive management is responsible for identifying, evaluating, and managing risks within the parameters approved by the Board.

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The Company's risk management policies are designed to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to those limits on an ongoing basis. Risk management policies and systems are reviewed by the Board at least annually to reflect changes in market conditions and the Company's activities.

The Company, through its training programmes, management standards, and operating procedures, aims to develop and maintain a disciplined and constructive control environment in which all employees understand their roles and obligations in relation to risk management.

**ii Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk mainly from its operating activities (primarily trade receivables) and investing activities including deposits placed with banks, mutual funds and other financial assets. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

**Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors. Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well "defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed." "Impairment analysis is performed based on historical data at each reporting date on an individual basis.

The movement in the allowance for expected credit loss on customer balances for the year ended 31st March, 2026 and 31st March 2025 is as follows:

| PARTICULARS                                     | ₹ in Lakhs             |                        |
|-------------------------------------------------|------------------------|------------------------|
|                                                 | As at 31st March, 2026 | As at 31st March, 2025 |
| Opening Balance                                 | 38.35                  | 22.41                  |
| Allowances made                                 | 17.63                  | 16.81                  |
| Less : Reversal of Provision for doubtful Debts | 16.60                  | 0.87                   |
| <b>Balance at year end</b>                      | <b>39.38</b>           | <b>38.35</b>           |

**Deposits with Bank and investments:**

The credit risk of fixed deposits with banks and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings and the company is in the process of constantly evaluating the risks associated with the investment .

**Other financial assets**

Other financial assets mainly comprises of security deposits which are given to customers or other governmental agencies, are assessed by the Company for credit risk on a continuous basis.

**ii) Liquidity Risk**

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements.

| As at 31st March 2026               |                 | ₹ in Lakhs             |             |                   |                 |
|-------------------------------------|-----------------|------------------------|-------------|-------------------|-----------------|
| Particulars                         | Carrying amount | Contractual cash flows |             |                   |                 |
|                                     |                 | Within 1 year          | 1-5 years   | More than 5 years | Total           |
| <b>Financial Liabilities</b>        |                 |                        |             |                   |                 |
| Borrowings-current                  | 3,264.85        | 3,264.85               | -           | -                 | 3264.85         |
| Lease Liabilities (undiscounted)    | 1.21            | 0.23                   | 0.38        | 9.32              | 9.93            |
| Trade Payables                      | 3,783.05        | 3,783.05               | -           | -                 | 3783.05         |
| Other Financial Liabilities-current | 2,571.63        | 2,571.63               | -           | -                 | 2571.63         |
| <b>Total</b>                        | <b>9,620.74</b> | <b>9,619.76</b>        | <b>0.38</b> | <b>9.32</b>       | <b>9,629.46</b> |

| As at 31st March 2025               |                 | ₹ in Lakhs             |             |                   |                 |
|-------------------------------------|-----------------|------------------------|-------------|-------------------|-----------------|
| Particulars                         | Carrying amount | Contractual cash flows |             |                   |                 |
|                                     |                 | Within 1 year          | 1-5 years   | More than 5 years | Total           |
| <b>Financial Liabilities</b>        |                 |                        |             |                   |                 |
| Borrowings-current                  | 2,103.47        | 2,103.47               | -           | -                 | 2103.47         |
| Lease Liabilities (undiscounted)    | 1.13            | 0.10                   | 0.38        | 9.41              | 9.89            |
| Trade Payables                      | 3,523.04        | 3,523.04               | -           | -                 | 3523.04         |
| Other Financial Liabilities-current | 2,514.04        | 2,514.04               | -           | -                 | 2514.04         |
| <b>Total</b>                        | <b>8,141.68</b> | <b>8,140.65</b>        | <b>0.38</b> | <b>9.41</b>       | <b>8,150.44</b> |

**iii) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.

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**a. Foreign currency risk**

The Company operates across various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Company's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities.

Currency risks related to the principal amounts of the Company's foreign currency receivable and payables have not been hedged using forward contracts. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level.

**The company exposure to foreign currency risk at the end of the reporting period expressed in Rs in lakhs are as follows:**

**As at 31st March, 2026**
**₹ in Lakhs**

| Particulars                                  | USD           | EURO            | GBP           | JPY         | Total           |
|----------------------------------------------|---------------|-----------------|---------------|-------------|-----------------|
| Trade Receivable                             | 882.34        | 1,594.52        | 801.56        | -           | 3,278.42        |
| Advance to Suppliers                         | 55.92         | 29.28           | -             | 5.56        | 90.76           |
| Trade Payable                                | -             | -               | -             | -           | -               |
| Advance from Customers                       | 26.41         | 0.40            | -             | -           | 26.81           |
| <b>Net exposure to foreign currency risk</b> | <b>911.85</b> | <b>1,623.40</b> | <b>801.56</b> | <b>5.56</b> | <b>3,342.37</b> |

**As at 31st March, 2025**

| Particulars                                  | USD           | EURO            | GBP           | JPY      | Total           |
|----------------------------------------------|---------------|-----------------|---------------|----------|-----------------|
| Trade Receivable                             | 874.56        | 1,949.84        | 301.59        | -        | 3,125.99        |
| Advance to Suppliers                         | 19.31         | 138.86          | 0.61          | -        | 158.78          |
| Trade Payable                                | -             | -               | -             | -        | -               |
| Advance from Customers                       | 77.36         | 0.83            | 0.52          | -        | 78.71           |
| <b>Net exposure to foreign currency risk</b> | <b>816.51</b> | <b>2,087.87</b> | <b>301.68</b> | <b>-</b> | <b>3,206.06</b> |

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rate will have the following impact on profit before tax:

| Particulars                                     | 2025-26      |                | 2024-25      |                |
|-------------------------------------------------|--------------|----------------|--------------|----------------|
|                                                 | 1% increase  | 1% Decrease    | 1% increase  | 1% Decrease    |
| USD                                             | 9.12         | (9.12)         | 8.17         | (8.17)         |
| EURO                                            | 16.24        | (16.24)        | 20.88        | (20.88)        |
| GBP                                             | 8.02         | (8.02)         | 3.02         | (3.02)         |
| JPY                                             | 0.06         | (0.06)         | -            | -              |
| <b>Net increase(decrease) in Profit or loss</b> | <b>33.44</b> | <b>(33.44)</b> | <b>32.07</b> | <b>(32.07)</b> |

The following table gives details in respect of outstanding foreign currency forward contracts:

**As at 31st March, 2026**

| Category                                          | Instrument       | Currency Pair | FCY Amount<br>(in lakhs) | Equivalent Amount<br>(Rs. in lakhs) | Fair Value Amount<br>(Rs. in lakhs) |
|---------------------------------------------------|------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| Hedges of highly probable forecasted transactions | Forward contract | USD/INR       | -                        | -                                   | -                                   |
| Hedges of highly probable forecasted transactions | Forward contract | GBP/INR       | -                        | -                                   | -                                   |

**As at 31st March, 2025**

| Category                                          | Instrument       | Currency Pair | FCY Amount<br>(in lakhs) | Equivalent Amount<br>(Rs. in lakhs) | Fair Value Amount<br>(Rs. in lakhs) |
|---------------------------------------------------|------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| Hedges of highly probable forecasted transactions | Forward contract | USD/INR       | 1.51                     | 132.67                              | 2.72                                |
| Hedges of highly probable forecasted transactions | Forward contract | GBP/INR       | 0.62                     | 67.07                               | (1.62)                              |

**b. 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 main exposure to interest risk arises from borrowings with floating rate.

**₹ in Lakhs**

| Particulars                                    | March 31, 2026 | March 31, 2025 |
|------------------------------------------------|----------------|----------------|
| <b>Financial liabilities</b>                   |                |                |
| Current borrowings with floating interest rate | 2235.56        | 1094.81        |
|                                                | <b>2235.56</b> | <b>1094.81</b> |

**Sensitivity analysis:**

A change in 50 basis point in interest rate of borrowings with floating rate at the reporting date would have increase/(decrease) Profit or Loss by the amount shown below. This analysis assumes that all other variables, remain constant.

| Particulars                               | 2025-26        |                | 2024-25        |                |
|-------------------------------------------|----------------|----------------|----------------|----------------|
|                                           | 0.5 % Increase | 0.5 % Decrease | 0.5 % Increase | 0.5 % Decrease |
| Net increase/(decrease) in Profit or loss | 11.18          | (11.18)        | 5.47           | (5.47)         |

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Fixed rate borrowings are not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates. The Company's main exposure to interest risk arises from borrowings with Fixed rate.

**₹ in Lakhs**

| Particulars                                 | March 31, 2026  | March 31, 2025  |
|---------------------------------------------|-----------------|-----------------|
| <b>Financial liabilities</b>                |                 |                 |
| Current borrowings with fixed interest rate | 1,029.29        | 1,008.66        |
|                                             | <b>1,029.29</b> | <b>1,008.66</b> |

**c. Commodity Risk**

Commodity risk is defined as the possibility of financial loss as a result of fluctuation in price of Raw Material/Finished Goods and change in demand of the product and market in which the company operates. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company forecast annual business plan and execute on monthly business plan. Raw material procurement is aligned to its monthly/annual business plan and inventory position is monitored in accordance with future price trend.

**40 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY**
**As on 31.03.2026**

| Relevant Line Item in the Balance Sheet | Description of Item of Property                                                                                        | Gross Carrying Value (Rs. in Lakhs) | Title Deeds held in name of    | Whether title deed holder is a promotor, director or relative of promotor/director or employee of promotor/director | Property held since which date | Reason for not being held in the name of the company                                                                                                                                                                                                                      |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Right to Use Assets                     | Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara                         | 92.25                               | Sunil Textiles Mills Pvt. Ltd. | No                                                                                                                  | 21.10.1994                     | Sunil Textile Mill Pvt Ltd. Has been amalgamated with Modern Threads India Ltd. Vide the order of High Court Dt. 21.10.1994                                                                                                                                               |
| Right to Use Assets                     | Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara                                                 | 125.00                              | Modern Woollens Pvt. Ltd.      | No                                                                                                                  | 21.10.1994                     | Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                        |
| Right to Use Assets                     | Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara                                                        | 7.50                                | Modern Woollen Mill (Firm)     | No                                                                                                                  | 21.10.1994                     | Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994 |
| Right to Use Assets                     | Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara | 43.77                               | Modern Woollens Ltd.           | No                                                                                                                  | 21.10.1994                     | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                                                                                               |
| Property, Plant and Equipment           | Freehold land at Ahemdabad                                                                                             | 12.66                               | Modern Woollens Ltd.           | No                                                                                                                  | 21.10.1994                     | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                                                                                               |

**As on 31.03.2025**

| Relevant Line Item in the Balance Sheet | Description of Item of Property                                                                                        | Gross Carrying Value (Rs. in Lakhs) | Title Deeds held in name of    | Whether title deed holder is a promotor, director or relative of promotor/director or employee of promotor/director | Property held since which date | Reason for not being held in the name of the company                                                                                                                                                                                                                      |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Right to Use Assets                     | Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara                         | 92.25                               | Sunil Textiles Mills Pvt. Ltd. | No                                                                                                                  | 21.10.1994                     | Sunil Textile Mill Pvt Ltd. Has been amalgamated with Modern Threads India Ltd. Vide the order of High Court Dt. 21.10.1994                                                                                                                                               |
| Right to Use Assets                     | Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara                                                 | 125.00                              | Modern Woollens Pvt. Ltd.      | No                                                                                                                  | 21.10.1994                     | Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                        |
| Right to Use Assets                     | Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara                                                        | 7.50                                | Modern Woollen Mill (Firm)     | No                                                                                                                  | 21.10.1994                     | Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994 |
| Right to Use Assets                     | Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara | 43.77                               | Modern Woollens Ltd.           | No                                                                                                                  | 21.10.1994                     | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                                                                                               |
| Property, Plant and Equipment           | Freehold land at Ahemdabad                                                                                             | 12.66                               | Modern Woollens Ltd.           | No                                                                                                                  | 21.10.1994                     | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                                                                                               |

**Notes on Standalone Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**41 Wilful Defaulter**

The Company was declared a wilful defaulter by certain lending banks and Financial Institutions from 31.3.2002 to 31.3.2010. Subsequent to such declaration, the Company has settled and repaid the outstanding dues to the lenders, hence other details are not furnished. However, as at 31 March 2026, certain banks have not formally withdrawn the wilful defaulter classification. Accordingly, the Company continues to make the disclosure required under Schedule III to the Companies Act, 2013.

- 42 The Central Government has enacted a unified framework comprising four labour codes i.e. the Code on Wages 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code 2020 (Collectively referred as "Labour Codes"). These Labour Codes have been made effective from 21st November, 2025. The rules relating to said Labour Codes are yet to be notified. Based on the assessment carried out by the management, the existing salary structure and employee benefit practices of the Company are substantially aligned with the requirements of the new labour codes and there is no material impact on the financial results upon implementation of the said codes, however, consequential impact arising from rules will be assessed and appropriately accounted for upon such notification.

**43 Investment in subsidiaries**

The Company's investments in subsidiaries is as under:

| Name of subsidiary         | Country of Incorporation | Portion of ownership interest as at 31.3.2026 | Portion of ownership interest as at 31.3.2025 | Method used to account for the Investment |
|----------------------------|--------------------------|-----------------------------------------------|-----------------------------------------------|-------------------------------------------|
| Modern Woollens UK Limited | United Kingdom           | 100%                                          | Nil                                           | At Cost                                   |

- 44 Disclosure required under Section 186(4) of the Companies Act, 2013.

Amount of loans and advances in the nature of loan outstanding from subsidiary

| Name of subsidiary         | Outstanding as at 31.3.2026 | Maximum during the year | Outstanding as at 31.3.2025 | Maximum during the year |
|----------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| Modern Woollens UK Limited | 45.06                       | 45.06                   | Nil                         | Nil                     |

The loan has been given to subsidiary for business purpose

**45 ADDITIONAL REGULATORY INFORMATION AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013**

- i Title deeds of all immovable properties are held on the name of the Company except as stated in Note No. 40.
- ii The Company has not revalued any Property, Plant and Equipment and Intangible Assets during the year.
- iii The Company has not given loan or advances in nature of loans to promoters, directors, KMPs and the related parties which is repayable on demands or without specifying any terms or period of repayment.
- iv There is no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- v There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 by the Company during the year and there are no outstanding balance as on 31st March, 2026 with any struck off companies.
- vi There are no charges or satisfactions of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- vii The Company has complied with the provisions of clause (87) of Section 2 of the Act with regard to the Companies (Restriction on number of Layers) Rules 2017.
- viii There is no Scheme of Arrangements approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013 during the year.
- ix The Company has not advanced or loaned or invested funds to any other person or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- x The Company has not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding that the Company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xi The Company has not surrendered or disclosed as income or the previously unrecorded income and related assets during the year in the tax assessments which are not recorded in the books of accounts of the Company.
- xii Working Capital loan were applied for the purpose for which the loans were obtained.
- xiii The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Notes on Standalone Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**46. Analytical Ratios table**

| S. No. | Ratio Name                       | NUMERATOR                                           | DENOMINATOR                  | CURRENT YEAR | PREVIOUS YEAR | % VARIANCE | REASON FOR VARIANCE             |
|--------|----------------------------------|-----------------------------------------------------|------------------------------|--------------|---------------|------------|---------------------------------|
| 1.     | CURRENT RATIO                    | Current assets                                      | Current liabilities          | 1.70         | 1.82          | -6.38%     | Not Applicable                  |
| 2.     | DEBT-EQUITY RATIO                | Total Debt                                          | Shareholder's Equity         | 0.22         | 0.15          | 53.21%     | Due to higher current borrowing |
| 3.     | DEBT SERVICE COVERAGE RATIO      | Earning available for debt service                  | Debt service                 | 8.86         | 16.66         | -46.78%    | Due to higher interest payment  |
| 4.     | RETURN ON EQUITY (ROE)           | Net Profit after taxes-Preference Dividend (if any) | Average Equity Share Capital | 9.34%        | 2.57%         | 263.09%    | Due to increase in net profit   |
| 5.     | INVENTORY TURNOVER RATIO         | Cost of goods sold or sales                         | Average Inventory            | 2.99         | 3.26          | -8.19%     | Not Applicable                  |
| 6.     | TRADE RECEIVABLES TURNOVER RATIO | Net Credit Sales                                    | Average Trade receivable     | 6.40         | 5.56          | 15.15%     | Not Applicable                  |
| 7.     | TRADE PAYABLES TURNOVER RATIO    | Net Credit Purchases                                | Average Trade Payables       | 5.17         | 4.36          | 18.63%     | Not Applicable                  |
| 8.     | NET CAPITAL TURNOVER RATIO       | Net Sales                                           | Working Capital              | 4.05         | 3.57          | 13.55%     | Not Applicable                  |
| 9.     | NET PROFIT RATIO                 | Net Profit                                          | Net sales                    | 4.34%        | 1.30%         | 234.73%    | Due to increase in net profit   |
| 10.    | RETURN ON CAPITAL EMPLOYED       | Earning before interest and taxes EBIT              | Capital Employed             | 11.99%       | 3.94%         | 204.34%    | Due to increase in net profit   |
| 11.    | RETURN ON INVESTMENT             |                                                     | Average Total Assets         | 8.92%        | 2.80%         | 218.26%    | Due to increase in net profit   |

**47 APPROVAL OF FINANCIAL STATEMENTS**

The Standalone Financial Statements were approved for issue by the Board of Directors on 30th May, 2026.

**48** Figures for previous year have been regrouped/rearranged wherever considered necessary to make them comparable with the figures for the current year.

**As per our report of even date attached**
**For S.S. Surana & Co.**

 Chartered Accountants  
 FRN 001079C

**(Pralhad Gupta)**

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2026

UDIN : 26074458ACNARQ1996

**For and on behalf of the Board of Directors of Modern Threads (India) Limited**

|                 |   |                               |                |
|-----------------|---|-------------------------------|----------------|
| Rajesh Ranka    | — | Chairman & Managing Director  | DIN : 03438721 |
| Ankita Jain     | — | Independent Director          | DIN: 09598249  |
| P.K. Nahar      | — | Whole Time Director & CFO     | DIN: 11457800  |
| Anil Kumar Jain | — | Company Secretary M.No. F7842 | —              |

Place : Bhilwara

Date : 30.05.2026

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
MODERN THREADS INDIA LIMITED**  
**Report on the Audit of the Consolidated Financial Statements**  
**Qualified Opinion**

We have audited the accompanying Consolidated Financial Statements of **MODERN THREADS (INDIA) LIMITED** (herein referred to as "the Holding Company" or "the Company") and its wholly owned foreign subsidiary (the Holding Company and the subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the financial information certified by the Management of the Holding Company relating to the wholly owned foreign subsidiary referred to in the "Other Matters" section below except for the effect/possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March 2026, and its Consolidated Profit (including Other Comprehensive Income), Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

**Basis for Qualified Opinion**

- (i) The Holding Company has not provided for Interest (Dividend) on cumulative redeemable preference shares amounting to Rs. 36.13 Lakhs for the year (Rs. 1083.87 Lakhs upto 31.03.2026) as the Holding company

is in process of settlement of remaining redeemable preference share capital. (Note No.16.2b)

- (ii) Balances of trade payables and trade receivables are subject to confirmation and consequential adjustments, if any. (Note No. 15.1 and 8.1). In opinion of the management, impact if any, is not ascertainable.

Had the impact of above qualification in Para (i), without considering Para (ii) for which impact could not be determined, been considered, the total comprehensive income for the year would have been Rs.1231.71 Lakhs as against reported total comprehensive income of Rs.1267.84 Lakhs and other equity would have been Rs.9978.52 Lakhs as against the reported figure of Rs.11062.39 Lakhs and Other Current financial liabilities would have been Rs. 3659.99 lakhs as against reported figure of Rs.2576.12 Lakhs.

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

**Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended 31st March, 2026. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How the Key Audit Matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>1. Accounting and Valuation of Derivative Financial Instruments (Futures &amp; Options)</b></p> <p>The Holding Company actively trades in derivative financial instruments, including equity, currency, and commodity futures and options. These instruments are measured at fair value through profit or loss (FVTPL) in accordance with Ind AS 109.</p> <p>During the financial year, the accounting, valuation, and volume of these transactions involved:</p> <ul style="list-style-type: none"> <li>Significant volume and frequency of high-value trades requiring robust internal processing systems.</li> <li>Compliance with exchange margining requirements, daily mark-to-market (MTM) settlements, and strict regulatory provisions.</li> <li>Appropriate recognition and classification of realized gains and losses in the Statement of Profit and Loss.</li> </ul> <p>While there were no outstanding derivative contracts as of the balance sheet date, the sheer volume of transactions and the financial impact of realized trading gains/losses during the year required significant auditor attention. Therefore, this area was considered a Key Audit Matter. (Refer Note No. 21)</p> | <p>Our audit procedures in respect of this area included, but were not limited to, the following:</p> <p><b>1. Understanding and Testing Internal Controls:</b></p> <ul style="list-style-type: none"> <li>Evaluated the design and implementation of internal controls over trading authorizations, deal executions, recording, and margin management.</li> <li>Tested the operating effectiveness of key automated and manual controls relating to trade matching and real-time ledger records.</li> </ul> <p><b>2. Transaction Verification and Testing:</b></p> <ul style="list-style-type: none"> <li>Verified a sample of derivative trades executed during the year against trade confirmations, contract notes, and independent broker statements to ensure accuracy and authorization.</li> </ul> <p><b>3. Completeness and Cutoff Verification:</b></p> <ul style="list-style-type: none"> <li>Obtained and reviewed period-end broker ledger accounts and exchange reports to verify that all contracts open during the year were fully closed out, confirming that zero positions remained outstanding on the balance sheet date.</li> <li>Tested realized profit and loss calculations on closed contracts by comparing trade execution prices against exchange-published settlement data.</li> </ul> <p><b>4. Margin and Settlement Reconciliation:</b></p> <ul style="list-style-type: none"> <li>Reconciled daily MTM margin cash flows and initial margin deposits with broker statements to confirm accurate realization and accounting of settlements.</li> </ul> <p><b>5. Analytical Procedures:</b></p> <ul style="list-style-type: none"> <li>Performed analytical reviews of trading volumes and yield trends against market movements during the year to ensure the reasonableness of reported trading profits/losses.</li> </ul> <p><b>6. Disclosure Review:</b></p> <ul style="list-style-type: none"> <li>Examined the financial statements to ensure that information concerning derivative activities during the year complied with the presentation and disclosure requirements of Ind AS 107, Ind AS 109, and Schedule III.</li> </ul> |
| <p><b>2. Inventory Valuation and Existence</b></p> <p>The Group inventories comprise raw materials, work-in-process, finished goods, stores and spares aggregating to Rs. 10461.98 Lakhs as at 31 March 2026.</p> <p>Inventory valuation is considered a key audit matter due to:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding and evaluated the design and implementation of controls relating to inventory recording, valuation and physical verification.</li> <li>Attended the physical verification of inventories conducted by management at selected locations on a sample basis and evaluated the procedures and controls followed during such verification.</li> <li>Tested inventory quantities on a sample basis by reconciling physical verification records with inventory records.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• The significance of inventory balances to the Consolidated financial statements and the judgment involved in determining the cost and net realisable value (NRV) of inventories.</li> <li>• The valuation of work-in-process and finished goods involves allocation of material, labour and manufacturing overheads. Further, determination of NRV requires management to assess prevailing and expected market prices of wool and PV yarn products and estimated costs necessary to make the sale.</li> <li>• The physical existence of inventory and valuation of goods in transit also required significant audit attention.</li> </ul> <p>Accordingly, inventory valuation and existence was considered to be a matter of most significance in our audit of the Consolidated financial statements. (Refer Note No. 7)</p> | <ul style="list-style-type: none"> <li>• Evaluated the costing methodology adopted by the Company and assessed its consistency with previous years and applicable accounting standards.</li> <li>• Tested, on a sample basis, the valuation of raw materials, work-in-process and finished goods, including verification of material costs, labour costs and allocation of manufacturing overheads.</li> <li>• Evaluated management's assessment of net realisable value by comparing carrying values with subsequent sales, market prices and other available evidence.</li> <li>• Assessed whether any slow-moving, obsolete or damaged inventory items had been appropriately identified by the management and written down to net realisable value.</li> <li>• Verified inventories in transit with supporting purchase documents and subsequent receipt records.</li> <li>• Assessed the adequacy and appropriateness of disclosures relating to inventories in the Consolidated financial statements with reference to the requirements of Ind AS 2 and Schedule III to the Companies Act, 2013.</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### **Information Other than the Consolidated Financial Statements and Auditor's report thereon ("Other Information").**

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Consolidated Financial Statements, and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance, and take necessary actions, as applicable under the relevant laws and regulations.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including other comprehensive income), Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of their respective Company.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. The financial information of the wholly owned foreign subsidiary included in the Consolidated Financial Statements has not been audited by any auditor and has been furnished to us by the management of the Holding Company. Our responsibility is to obtain sufficient appropriate audit evidence regarding such financial information for the purpose of expressing our opinion on the Consolidated Financial Statements. Our opinion in respect of such financial information is based solely on the representations and information furnished by the Management. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- 1 The accompanying Consolidated Financial Statements include the unaudited financial statements and other financial information in respect of Modern Woollens UK Limited, a wholly-owned foreign subsidiary, whose financial statements and other financial information reflect total assets of Rs. 812.14 lakhs as at March 31, 2026, total revenues of Rs. 158.27 lakhs, and net cash inflows of Rs. 59.53 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements.  
The financial information of the aforesaid subsidiary has not been audited by any auditor and has been approved and furnished to us by the Management of the Holding Company. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based on such financial information furnished by the Management. Based on the information and explanations given to us by the Management, the aforesaid financial information is not material to the Group.  
Our opinion on the Consolidated Financial Statements is not modified in respect of the above matter.
- 2 Modern Woollens UK Limited, a wholly-owned foreign subsidiary is incorporated outside India and its financial information has been prepared in accordance with the accounting principles generally accepted in the United Kingdom. For the purpose of preparation of the Consolidated Financial Statements, the Management of the Holding Company has converted such financial information from the accounting principles generally accepted in the United Kingdom to the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Companies Act, 2013.  
Our opinion, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based on such conversion adjustments prepared by the Management of the Holding Company.  
Our opinion on the Consolidated Financial Statements is not modified in respect of the above matter.
- 3 Modern Woollens UK Limited, a wholly-owned foreign subsidiary commenced its operations during the quarter ended December 31, 2025. Accordingly, the Consolidated Financial Statements include the assets, liabilities, income and expenses of the subsidiary for the period from commencement of operations up to March 31, 2026. Consequently, the comparative figures for the year ended March 31, 2025 represent only the standalone financial statements of the Holding Company and do not include any financial information relating to the subsidiary.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Companies Act, 2013 ("the Act"), based on our audit and considering the unaudited financial statements/financial information of the wholly owned foreign subsidiary referred to in the "Other matter" section above, included in the Consolidated Financial Statements, we report, to the extent applicable only to the Holding Company incorporated in India, that:
  - a. We have sought and except for the effects/possible effects of the matters described in the basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

- b. In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept by the Holding Company so far as it appears from our examination of those books, except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Financial Statements:
- d. Except for the effects/possible effects of the matters described in the basis for qualified opinion paragraph above, in our opinion, the aforesaid Consolidated financial statements comply with the Indian accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March 2026 and taken on record by the Board of Directors of the Holding Company covered under the act, none of the directors are disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The qualification and other matters connected therewith are as stated in the 'Basis for Qualified Opinion' paragraph.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to the Independent Auditor's Report on the standalone financial statements of the Holding Company for the year ended March 31, 2026.

Our reporting under Section 143(3)(i) of the Act is applicable only to the Holding Company incorporated in India. The wholly owned subsidiary included in the Consolidated Financial Statements is incorporated outside India and is not covered under the provisions of Section 143(3)(i) of the Act

- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

Our reporting under Section 197(16) of the Act is applicable only to the Holding Company incorporated in India. The wholly owned subsidiary included in the Consolidated Financial Statements is incorporated outside India and is not covered under the provisions of Section 197(16) of the Act

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, applicable only to the Holding Company incorporated in India, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements have disclosed the impact of pending litigations as at 31st March 2026 on its financial position of the Group - Refer Note 32 to the Consolidated Financial Statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2026;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company covered under the act during the year ended on 31st March, 2026. (Refer Note 16.1);
  - iv. (a) The Management of the Holding Company whose financial statements have been audited under the act have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or

- share premium or any other sources or kind of funds) by the Holding Company to any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management of the Holding Company Incorporated in India whose financial statements have been audited under the act have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) above, contain any material misstatement.
- v. The Holding Company has not declared or paid any dividend during the FY 2025-26. Hence, the provisions of section 123 of Companies Act, 2013 does not apply.
- vi. Based on our examination which included test checks, the Holding company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at database level of accounting software to log any direct changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of Accounting Software and the audit trail has been preserved by the company as per the statutory requirements for record retention.
2. With respect to the matter specified in paragraph 3(xxii) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020") issued by the Central Government in terms of Section 143(11) of the Act, the qualifications/adverse remarks reported in Annexure A to the Independent Auditor's Report on the standalone financial statements of the Holding Company for the year ended March 31, 2026 are as follows:
- 3(i)(c) - Certain title deeds of immovable properties are not held in the name of the Company.
- 3(vii)(a)- Certain undisputed statutory dues remained outstanding for a period of more than six months from the date they became payable.
- 3(ix)(b)- The Company has been declared a wilful defaulter by banks/ financial institutions in earlier years.
- The wholly owned foreign subsidiary included in the Consolidated Financial Statements is not subject to reporting under CARO 2020.

**For S.S. Surana & Co.**  
 Chartered Accountants  
 Firm Registration No. 001079C

**Prahalad Gupta**  
 (Partner)  
 Membership No. 074458  
 UDIN : 26074458FEVNSY5387

Place : Bhilwara

Date : 30/05/2026

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2026**
**CIN NO. L17115RJ1980PLC002075**

| Particulars                                                                                | Note No. | Year ended March 31, 2026 | Year ended March 31, 2025 (Refer No. 48) |
|--------------------------------------------------------------------------------------------|----------|---------------------------|------------------------------------------|
| <b>ASSETS</b>                                                                              |          |                           |                                          |
| <b>1 Non-Current Assets</b>                                                                |          |                           |                                          |
| a Property, Plant and Equipment                                                            | 3A       | 4,917.33                  | 4,470.27                                 |
| b Capital Work-in-progress                                                                 | 3B       | 865.52                    | 500.96                                   |
| c Right Of Use Asset                                                                       | 3C       | 434.17                    | 437.37                                   |
| d Other Intangible assets                                                                  | 3D       | -                         | -                                        |
| e Financial Assets                                                                         |          |                           |                                          |
| i Investments                                                                              | 4        | 0.48                      | 0.48                                     |
| ii Other Financial assets                                                                  | 5        | 1,040.45                  | 681.69                                   |
| f Other non-current assets                                                                 | 6        | 268.86                    | 288.50                                   |
| <b>Total Non-current Assets (A)</b>                                                        |          | <b>7,526.81</b>           | <b>6,379.27</b>                          |
| <b>2 Current Assets</b>                                                                    |          |                           |                                          |
| a Inventories                                                                              | 7        | 10,461.98                 | 7,659.16                                 |
| b Financial Assets                                                                         |          |                           |                                          |
| i Investments                                                                              | 4        | 1,999.52                  | 2,832.96                                 |
| ii Trade Receivables                                                                       | 8        | 4,054.76                  | 4,686.98                                 |
| iii Cash and Cash Equivalents                                                              | 9        | 479.83                    | 86.71                                    |
| iv Bank Balances other than iii above                                                      | 10       | 11.59                     | 94.66                                    |
| v Other Financial Assets                                                                   | 5        | 51.74                     | 55.43                                    |
| c Income Tax Assets                                                                        | 11       | 4.35                      | 9.68                                     |
| d Other Current Assets                                                                     | 6        | 869.22                    | 758.10                                   |
| <b>Total Current Assets (B)</b>                                                            |          | <b>17,932.99</b>          | <b>16,183.68</b>                         |
| <b>Total Assets (A+B)</b>                                                                  |          | <b>25,459.80</b>          | <b>22,562.95</b>                         |
| <b>EQUITY AND LIABILITIES</b>                                                              |          |                           |                                          |
| <b>Equity</b>                                                                              |          |                           |                                          |
| a Equity Share Capital                                                                     | 12       | 3,477.52                  | 3,477.52                                 |
| b Other Equity                                                                             | 13       | 11,062.39                 | 9,794.55                                 |
| <b>Total Equity (A)</b>                                                                    |          | <b>14,539.91</b>          | <b>13,272.07</b>                         |
| <b>Liabilities</b>                                                                         |          |                           |                                          |
| <b>1 Non Current Liabilities</b>                                                           |          |                           |                                          |
| a Financial Liabilities                                                                    |          |                           |                                          |
| i Borrowings                                                                               | 14       | -                         | -                                        |
| ii Lease Liabilities                                                                       | 34       | 1.00                      | 1.03                                     |
| b Provisions                                                                               | 18       | 362.78                    | 399.05                                   |
| <b>Total Non Current Liabilities (B)</b>                                                   |          | <b>363.78</b>             | <b>400.08</b>                            |
| <b>2 Current Liabilities</b>                                                               |          |                           |                                          |
| a Financial Liabilities                                                                    |          |                           |                                          |
| i Borrowings                                                                               | 14       | 3,264.85                  | 2,103.47                                 |
| ii Lease Liabilities                                                                       | 34       | 0.21                      | 0.10                                     |
| iii Trade Payables                                                                         | 15       |                           |                                          |
| (a) total outstanding dues of Micro enterprises and Small enterprises                      |          | 91.43                     | 122.16                                   |
| (b) total outstanding dues of creditors other than Micro enterprises and Small enterprises |          | 3,695.54                  | 3,400.88                                 |
| iv Other Financial Liabilities                                                             | 16       | 2,576.12                  | 2,514.04                                 |
| b Other Current Liabilities                                                                | 17       | 621.77                    | 647.19                                   |
| c Provisions                                                                               | 18       | 124.76                    | 102.96                                   |
| d Current Tax Liabilities ( Net )                                                          | 19       | 181.43                    | -                                        |
| <b>Total Current Liabilities (C)</b>                                                       |          | <b>10,556.11</b>          | <b>8,890.80</b>                          |
| <b>Total Equity and Liabilities (A+B+C)</b>                                                |          | <b>25,459.80</b>          | <b>22,562.95</b>                         |
| Material Accounting Policies                                                               | 2        |                           |                                          |
| The accompanying notes are an integral part of the Consolidated Financial Statements.      | 1-48     |                           |                                          |

**As per our report of even date attached**
**For S.S. Surana & Co.**

 Chartered Accountants  
 FRN 001079C

**(Prahald Gupta)**

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2026

UDIN : 26074458FEVNSY5387

**For and on behalf of the Board of Directors of Modern Threads (India) Limited**

Rajesh Ranka – Chairman &amp; Managing Director DIN : 03438721

Ankita Jain – Independent Director DIN: 09598249

P.K. Nahar – Whole Time Director &amp; CFO DIN: 11457800

Anil Kumar Jain – Company Secretary M.No. F7842 –

Place : Bhilwara

Date : 30.05.2026

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2026**  
**CIN NO. L17115RJ1980PLC002075**

| Particulars                                                                           | Note No. | Year ended March 31, 2026 | Year ended March 31, 2025 (Refer No. 48) |
|---------------------------------------------------------------------------------------|----------|---------------------------|------------------------------------------|
| <b>INCOME</b>                                                                         |          |                           |                                          |
| I Revenue from Operations                                                             | 20       | 29,475.17                 | 26,004.48                                |
| II Other Income                                                                       | 21       | 1,167.97                  | 985.01                                   |
| III <b>Total Income (I+II)</b>                                                        |          | <b>30,643.14</b>          | <b>26,989.49</b>                         |
| <b>IV EXPENSES</b>                                                                    |          |                           |                                          |
| Cost of Materials Consumed                                                            | 22       | 19,040.55                 | 15,052.25                                |
| Purchases of Stock in Trade                                                           | 23       | 17.67                     | 0.62                                     |
| Changes in Inventories of Finished Goods and Work-in-progress                         | 24       | (2,884.72)                | (13.72)                                  |
| Employee Benefits Expense                                                             | 25       | 4,393.18                  | 3,831.75                                 |
| Finance Costs                                                                         | 26       | 297.22                    | 123.63                                   |
| Depreciation and Amortisation Expense                                                 | 27       | 469.45                    | 450.81                                   |
| Other Expenses                                                                        | 28       | 7,545.93                  | 7,068.75                                 |
| <b>Total Expenses</b>                                                                 |          | <b>28,879.28</b>          | <b>26,514.09</b>                         |
| V <b>Profit before exceptional items and tax (III-IV)</b>                             |          | <b>1,763.86</b>           | <b>475.40</b>                            |
| VI Exceptional Items                                                                  | 29       | -                         | -                                        |
| VII <b>Profit before tax (V+VI)</b>                                                   |          | <b>1,763.86</b>           | <b>475.40</b>                            |
| VIII Tax Expense                                                                      | 30       |                           |                                          |
| a Current Tax                                                                         | 5        | 544.99                    | 138.47                                   |
| b Deferred Tax                                                                        |          | -                         | -                                        |
| Total tax expense                                                                     |          | 544.99                    | 138.47                                   |
| IX <b>Profit for the year (VII-VIII)</b>                                              |          | <b>1,218.87</b>           | <b>336.93</b>                            |
| <b>X Other Comprehensive Income</b>                                                   |          |                           |                                          |
| A Items that will not be reclassified subsequently to profit or loss                  |          |                           |                                          |
| (i) Re-measurements of defined benefit plans                                          |          | 57.08                     | 19.90                                    |
| (ii) Income Tax relating to above                                                     |          | -                         | -                                        |
| B Items that will be reclassified subsequently to profit or loss                      |          |                           |                                          |
| (i) Gain/(Loss) on effective portion of cash flow hedge                               |          | (1.10)                    | 1.10                                     |
| (ii) Income Tax relating to above                                                     |          | -                         | -                                        |
| (iii) Exchange difference Gain/(Loss) arising due to foreign currency conversion      |          | (7.01)                    | -                                        |
| (iv) Income Tax relating to above                                                     |          | -                         | -                                        |
| <b>Total Other Comprehensive Income</b>                                               |          | <b>48.97</b>              | <b>21.00</b>                             |
| <b>Total Comprehensive Income (IX+X)</b>                                              |          | <b>1,267.84</b>           | <b>357.93</b>                            |
| Earnings per equity share of Face Value of Rs. 10/- each                              | 31       |                           |                                          |
| Basic (in Rs.)                                                                        |          | 3.51                      | 0.97                                     |
| Diluted (in Rs.)                                                                      |          | 3.51                      | 0.97                                     |
| Material Accounting Policies                                                          | 2        |                           |                                          |
| The accompanying notes are an integral part of the Consolidated Financial Statements. | 1-48     |                           |                                          |

**As per our report of even date attached**
**For S.S. Surana & Co.**

 Chartered Accountants  
 FRN 001079C

**(Pralhad Gupta)**

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2026

UDIN : 26074458FEVNSY5387

**For and on behalf of the Board of Directors of Modern Threads (India) Limited**

|                 |   |                               |                |
|-----------------|---|-------------------------------|----------------|
| Rajesh Ranka    | — | Chairman & Managing Director  | DIN : 03438721 |
| Ankita Jain     | — | Independent Director          | DIN: 09598249  |
| P.K. Nahar      | — | Whole Time Director & CFO     | DIN: 11457800  |
| Anil Kumar Jain | — | Company Secretary M.No. F7842 | —              |

Place : Bhilwara  
Date : 30.05.2026

CIN NO. L17115RJ1980PLC002075

**Consolidated Statement of Cash Flows for the year ended 31st March, 2026**

| Particulars                                                                       | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025<br>(Refer No. 48) |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------------------------|
| <b>A. Cash flow from operating activities</b>                                     |                              |                                                |
| Profit before tax and after exceptional items                                     | 1,763.86                     | 475.40                                         |
| Adjustments for:                                                                  |                              |                                                |
| Depreciation and amortisation                                                     | 469.45                       | 450.81                                         |
| Finance costs                                                                     | 297.22                       | 123.63                                         |
| Interest Income                                                                   | (58.85)                      | (60.05)                                        |
| Loss/(Profit) on sale of Property, Plant and Equipment (Net)                      | (37.70)                      | (55.24)                                        |
| Investments in NSC Written Off                                                    | -                            | 0.34                                           |
| Gain on Sale/ Fair value Gain on Investments (Net)                                | (152.73)                     | (160.64)                                       |
| Remeasurement of employee benefits (Net)                                          | 57.08                        | 19.90                                          |
| Gain/(Loss) arising due to foreign currency Translation                           | (7.01)                       | -                                              |
| <b>Operating profit before working capital changes</b>                            | <b>2,331.32</b>              | <b>794.15</b>                                  |
| Changes in working capital:                                                       |                              |                                                |
| Adjustments for (increase) / decrease in operating assets:                        |                              |                                                |
| Inventories                                                                       | (2,802.82)                   | (715.28)                                       |
| Trade receivables                                                                 | 632.22                       | (19.00)                                        |
| Other non-current financial assets                                                | (358.76)                     | (285.57)                                       |
| Other current financial assets                                                    | 2.59                         | (13.81)                                        |
| Other current assets                                                              | (111.12)                     | (331.35)                                       |
| Other non-current assets                                                          | 19.64                        | (106.93)                                       |
| Adjustments for increase / (decrease) in operating liabilities:                   |                              |                                                |
| Trade payables                                                                    | 263.93                       | (206.23)                                       |
| Other Financial Liabilities                                                       | 62.08                        | 46.95                                          |
| Other current liabilities                                                         | (25.42)                      | 61.03                                          |
| Provisions                                                                        | (14.47)                      | 60.87                                          |
| Bank balance other than cash & cash equivalents                                   | 83.07                        | 146.34                                         |
| <b>Cash generated from operations</b>                                             | <b>82.26</b>                 | <b>(568.83)</b>                                |
| Net income tax (paid) / refunds                                                   | (358.22)                     | (184.28)                                       |
| <b>Net cash flow from / (used in) operating activities (A)</b>                    | <b>(275.96)</b>              | <b>(753.11)</b>                                |
| <b>B. Cash flow from investing activities</b>                                     |                              |                                                |
| Purchase of Property, plant and equipment<br>(including capital work in progress) | (1,313.93)                   | (832.23)                                       |
| Payment for ROU Assets                                                            | (4.52)                       | (51.32)                                        |
| Proceeds from sale of Property, plant and equipment                               | 78.28                        | 168.14                                         |
| Purchase of Mutual funds and Debentures                                           | -                            | (1,185.01)                                     |
| Sale of Mutual Funds                                                              | 986.16                       | 10.00                                          |
| Interest Income                                                                   | 58.85                        | 60.05                                          |
| <b>Net cash flow from / (used in) investing activities (B)</b>                    | <b>(195.16)</b>              | <b>(1,830.37)</b>                              |
| <b>C. Cash flow from financing activities</b>                                     |                              |                                                |
| Proceeds from / (Repayment of) Short Term Borrowings                              | 1,161.38                     | 2103.47                                        |
| Payment of Lease Liabilities                                                      | (0.03)                       | (0.02)                                         |
| Finance costs                                                                     | (297.11)                     | (123.58)                                       |
| <b>Net cash flow from / (used in) financing activities (C)</b>                    | <b>864.24</b>                | <b>1,979.87</b>                                |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C)                    | 393.12                       | (603.61)                                       |
| Cash and cash equivalents at the beginning of the year                            | 86.71                        | 690.32                                         |
| <b>Cash and cash equivalents at the end of the year (Refer Note No. 9)</b>        | <b>479.83</b>                | <b>86.71</b>                                   |

The Consolidated Statement of cash flows has been prepared under the "Indirect method" as set out in Ind AS 7 on "Statement of Cash Flows".  
 The accompanying notes are an integral part of the Consolidated financial statements.

| As per our report of even date attached | For and on behalf of the Board of Directors of Modern Threads (India) Limited |   |                               |                |
|-----------------------------------------|-------------------------------------------------------------------------------|---|-------------------------------|----------------|
| <b>For S.S. Surana &amp; Co.</b>        |                                                                               |   |                               |                |
| Chartered Accountants                   | Rajesh Ranka                                                                  | — | Chairman & Managing Director  | DIN : 03438721 |
| FRN 001079C                             | Ankita Jain                                                                   | — | Independent Director          | DIN: 09598249  |
| <b>(Pralhad Gupta)</b>                  | P.K. Nahar                                                                    | — | Whole Time Director & CFO     | DIN: 11457800  |
| Partner                                 | Anil Kumar Jain                                                               | — | Company Secretary M.No. F7842 | —              |
| M. No. 074458                           |                                                                               |   |                               |                |
| Place : Bhilwara                        | Place : Bhilwara                                                              |   |                               |                |
| Date : 30.05.2026                       | Date : 30.05.2026                                                             |   |                               |                |
| UDIN : 26074458FEVNSY5387               |                                                                               |   |                               |                |

Notes to the Consolidated Financial statements for the year ended 31st March, 2026

CIN NO. L17115RJ1980PLC002075

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2026****A. Equity Share Capital****(1) Current reporting period**

₹ in Lakhs

| Particulars                                                              | No of Shares    | Equity Shares Capital |
|--------------------------------------------------------------------------|-----------------|-----------------------|
| Balance at the beginning of the current reporting period                 | 34775160        | 3,477.52              |
| Change in equity share capital due to prior period errors                | —               | —                     |
| <b>Restated balance at the beginning of the current reporting period</b> | <b>34775160</b> | <b>3,477.52</b>       |
| Change in equity share capital during the current year                   | —               | —                     |
| <b>Balance at the end of the current reporting period</b>                | <b>34775160</b> | <b>3,477.52</b>       |

**(2) Previous reporting period**

₹ in lakhs

| Particulars                                                               | No of Shares    | Equity Shares Capital |
|---------------------------------------------------------------------------|-----------------|-----------------------|
| Balance at the beginning of the previous reporting period                 | 34775160        | 3,477.52              |
| Change in equity share capital due to prior period errors                 | —               | —                     |
| <b>Restated balance at the beginning of the previous reporting period</b> | <b>34775160</b> | <b>3,477.52</b>       |
| Change in equity share capital during the previous year                   | —               | —                     |
| <b>Balance at the end of the previous reporting period</b>                | <b>34775160</b> | <b>3,477.52</b>       |

**B. Other Equity****(1) Current reporting period**

₹ in Lakhs

| Particulars                                         | Reserves and Surplus |                            |                  |                              |                   | Other Comprehensive Income            |                                      |                    |
|-----------------------------------------------------|----------------------|----------------------------|------------------|------------------------------|-------------------|---------------------------------------|--------------------------------------|--------------------|
|                                                     | Capital Reserve      | Capital Redemption Reserve | Security Premium | Debenture Redemption Reserve | Retained Earnings | Effective portion of Cash Flow Hedges | Foreign Currency Translation Reserve | Total Other Equity |
| <b>Opening balance as at April 01, 2025</b>         | <b>35.90</b>         | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(73.22)</b>    | <b>1.10</b>                           | <b>-</b>                             | <b>9,794.55</b>    |
| Changes in accounting policy or prior period errors | -                    | -                          | -                | -                            | -                 | -                                     | -                                    | -                  |
| <b>Restated Balance as at April 01, 2025</b>        | <b>35.90</b>         | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(73.22)</b>    | <b>1.10</b>                           | <b>-</b>                             | <b>9,794.55</b>    |
| Transfer from Debenture Redemption Reserve          |                      |                            |                  |                              | 970.00            |                                       |                                      | 970.00             |
| Transfer to Retained Earnings                       |                      |                            |                  | (970.00)                     |                   |                                       |                                      | (970.00)           |
| Profit for the year                                 | -                    | -                          | -                | -                            | 1,218.87          | -                                     | -                                    | 1,218.87           |
| Other Comprehensive Income                          | -                    | -                          | -                | -                            | 57.08             | (1.10)                                | (7.01)                               | 48.97              |
| Total Comprehensive Income for the year             | -                    | -                          | -                | (970.00)                     | 2,245.95          | (1.10)                                | (7.01)                               | 1,267.84           |
| <b>Closing balance as at March 31, 2026</b>         | <b>35.90</b>         | <b>875.00</b>              | <b>7,985.77</b>  | <b>-</b>                     | <b>2,172.73</b>   | <b>-</b>                              | <b>(7.01)</b>                        | <b>11,062.39</b>   |

**(2) Previous reporting period (Refer Note no. 48)**

₹ in Lakhs

| Particulars                                         | Reserves and Surplus |                            |                  |                              |                   | Other Comprehensive Income            |                                      |                    |
|-----------------------------------------------------|----------------------|----------------------------|------------------|------------------------------|-------------------|---------------------------------------|--------------------------------------|--------------------|
|                                                     | Capital Reserve      | Capital Redemption Reserve | Security Premium | Debenture Redemption Reserve | Retained Earnings | Effective portion of Cash Flow Hedges | Foreign Currency Translation Reserve | Total Other Equity |
| <b>Opening balance as at April 01, 2024</b>         | <b>35.90</b>         | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(430.05)</b>   | <b>-</b>                              | <b>-</b>                             | <b>9,436.62</b>    |
| Changes in accounting policy or prior period errors | -                    | -                          | -                | -                            | -                 | -                                     | -                                    | -                  |
| <b>Restated Balance as at April 01, 2024</b>        | <b>35.90</b>         | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(430.05)</b>   | <b>-</b>                              | <b>-</b>                             | <b>9,436.62</b>    |
| Profit for the year                                 | -                    | -                          | -                | -                            | 336.93            | -                                     | -                                    | 336.93             |
| Other Comprehensive Income                          | -                    | -                          | -                | -                            | 19.90             | 1.10                                  | -                                    | 21.00              |
| Total Comprehensive Income for the year             | -                    | -                          | -                | -                            | 356.83            | 1.10                                  | -                                    | 357.93             |
| Transfer to retained earnings                       | -                    | -                          | -                | -                            | -                 | -                                     | -                                    | -                  |
| <b>Closing balance as at March 31, 2025</b>         | <b>35.90</b>         | <b>875.00</b>              | <b>7,985.77</b>  | <b>970.00</b>                | <b>(73.22)</b>    | <b>1.10</b>                           | <b>-</b>                             | <b>9,794.55</b>    |

The accompanying notes are an integral part of the Consolidated financial statements.

**As per our report of even date attached****For S.S. Surana & Co.**Chartered Accountants  
FRN 001079C**(Pralhad Gupta)**

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2026

UDIN : 26074458FEVNSY5387

**For and on behalf of the Board of Directors of Modern Threads (India) Limited**

|                 |   |                               |                |
|-----------------|---|-------------------------------|----------------|
| Rajesh Ranka    | — | Chairman & Managing Director  | DIN : 03438721 |
| Ankita Jain     | — | Independent Director          | DIN: 09598249  |
| P.K. Nahar      | — | Whole Time Director & CFO     | DIN: 11457800  |
| Anil Kumar Jain | — | Company Secretary M.No. F7842 | —              |

Place : Bhilwara

Date : 30.05.2026

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**NOTE-1 GENERAL INFORMATION**

Modern Threads (India) Limited ("the holding Company") is a Public limited company domiciled in India and incorporated on 28th August, 1980 under the provisions of Companies Act, 1956 (now replaced by Companies Act, 2013) having its registered office at Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) India. The Holding company is listed on Bombay Stock Exchange India Limited and National Stock Exchange Limited. The Holding Company corporate identification No. (CIN) is L17115RJ1980PLC002075.

The Holding company is engaged in the business of manufacturing and selling of mainly Worsted Yarn, Wool Tops and Synthetic blended Yarn and its manufacturing plants are located at Raila and Bhilwara, Rajasthan.

The wholly owned foreign subsidiary company is engaged in business of trading of Worsted Yarn, Wool Tops.

The holding company has a wholly owned foreign subsidiary company (hereinafter collectively referred to as "the group") and accordingly these consolidated financial statements have been prepared by the group consisting of accounts of the Holding Company and its wholly owned foreign subsidiary company.

The details of subsidiary included in the consolidated Financial Statements is as under:

| S. No. | Name of the Entity         | Country of Incorporation | Proportion of Ownership of Interest |
|--------|----------------------------|--------------------------|-------------------------------------|
| 1      | Modern Woollens UK Limited | United Kingdom           | 100%                                |

**NOTE-2 PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES**
**2.1 Basis of Preparation and measurement of Consolidated Financial Statements**
**A) Basis of preparation**

These Consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the companies Act, 2013 ("the act") read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act. The presentation of the Consolidated Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

**B) Basis of measurement**

The Consolidated financial statements are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Financial instruments measured at fair value through Profit and Loss.
- Financial instruments measured at fair value through other comprehensive income.
- Remeasurements of defined benefit plans recognised in other comprehensive income.

**C) Basis of Consolidation**

The consolidated financial statements have been prepared on the following basis:

**Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements relate to the Holding Company and its wholly owned foreign subsidiary. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of the Holding Company and its foreign subsidiary are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses.

All intragroup balances, transactions, and any unrealised income and expenses (except foreign currency transaction gains or losses) arising from intragroup transactions are eliminated in full on consolidation. Unrealised losses are also eliminated unless cost cannot be recovered.

The functional currency of the foreign subsidiary is its local currency. For the purpose of inclusion in the consolidated financial statements, the assets and liabilities of the foreign subsidiary are translated into the Group's presentation currency (INR) at the closing exchange rate at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. All resulting exchange differences are accumulated in a separate component of equity as a "Foreign Currency Translation Reserve" (FCTR).

**D) Functional and Presentation Currency**

i. The Consolidated financial statements are prepared in Indian Rupees ("INR") which is the Holding Company's presentation currency and the functional currency for all its operations. All financial information presented in INR has been rounded to the nearest lakhs with two decimal places unless stated otherwise.

ii. The results and financial position of the wholly owned foreign subsidiary that have a functional currency different from the presentation currency of the Group are translated as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- income and expenses for each statement of profit and loss are translated at monthly exchange rates, and - all resulting exchange differences are recognised in other comprehensive income and accumulated in a foreign currency translation reserve.

On disposal of a foreign operation, the associated exchange differences are reclassified to the statement of profit and loss, as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

**E) Classification of Assets and Liabilities as Current and Non Current**

All Assets and Liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Group and their realization in cash and cash equivalent, the Group has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**F) Use of estimates and critical accounting judgements**

The preparation of the Consolidated financial statements in conformity with Ind AS requires Group's management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual result may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**

Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

**Critical estimates and judgements**
**i. Property, plant and equipment and intangible assets:**

Useful lives of Property, Plant and equipment and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013 except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 10 to 15 years. The Group reviews its estimate of the useful lives of PPE/intangible assets at each reporting date, based on the expected utility of the assets. It may result in change of depreciation and amortisation charges.

**ii. Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. Any changes in these assumptions will impact the carrying amount of gratuity obligations.

**iii. Provisions and contingent liabilities:**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, Group treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the Consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, Group do not expect them to have a materially adverse impact on financial position or profitability.

**2.2 Material Accounting Policies**
**A) (i) Property, plant and equipment**
**Recognition and measurement**

Freehold land is carried at historical cost. All other items of Property, plant and equipment are initially recognized at cost including the cost directly attributable for bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the Group's management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Consolidated statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to the Consolidated statement of profit and loss during the financial year in which they are incurred.

The Holding Company has opted for an exemption provided by the Indian Accounting Standard (Ind As)-101. Accordingly, the carrying value for all Property, plant and Equipment recognized in the Consolidated financial statements, as at the date of transition to Ind AS i.e 01.04.2016 measured as per previous GAAP and use that carrying value as deemed cost of Property, plant and Equipment.

Capital work in progress which are not ready for intended use are carried at cost less impairment loss, if any. Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period upto commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

**(ii) Depreciation on property, plant and equipment**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives of assets in accordance with Schedule II to the Companies Act, 2013 using the straight-line method except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 10 to 15 years.

The assets' useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The carrying amount is eliminated from the Consolidated financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the Consolidated statement of profit and loss.

**B) Intangible Assets**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises purchase price after deducting trade discounts/ rebates, including import duties and non-refundable purchase taxes, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Cost of items of intangible assets not ready for intended use as on the balance sheet date are disclosed as intangible assets under development.

Amortisation is charged on a straight-line basis over a period of 5 years, which in Management's estimate represents the period during which the economic benefits will be derived from their use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Any gains and losses on disposal of such intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the statement of Profit and loss.

**C) Leases**
**As a lessee**

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

At the date of commencement of a lease, the Group recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
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Group changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Consolidated statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. These are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated on a straight-line basis over the asset's useful life or the lease term whichever is shorter.

Impairment of ROU assets is in accordance with the Group's accounting policy for impairment of tangible and intangible assets.

**Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Group has considered all leases where the value of an underlying asset does not individually exceed Rs. 3.00 Lakhs or equivalent as a lease of low value assets.

As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease income from operating leases where the Group is a lessor is recognised in the consolidated statement of profit and loss on a straight-line basis over the lease term.

**D) Impairment of Non-Financial Assets**

The Property, Plant and Equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**E) Employee benefits**
**(i) Defined contribution plans**

Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and charged to the Consolidated Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees.

**(ii) Defined benefit plans**

The Holding Company's gratuity obligation is a defined benefit plan. The liability recognised in the Balance Sheet is the present value of the defined benefit obligation at the end of the reporting

period. The Holding Company's gratuity plan is unfunded; accordingly, there are no plan assets to offset against the obligation. The defined benefit obligation is determined at the year end by an independent actuary using the Projected Unit Credit (PUC) method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The current service cost and interest cost (calculated by applying the discount rate to the opening net defined benefit liability) are recognised in the Statement of Profit and Loss within employee benefit expense.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income (OCI) and presented within retained earnings in the Statement of Changes in Equity. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

**(iii) Other employee benefits:**

- (a) Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date and charge is recognized in the statement of profit and loss.
- (b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

**F) Inventories**

Raw materials, packing materials, stores & spares, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, cost is calculated on moving weighted average basis.

Cost of inventories comprises all costs of purchase, costs of 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 cost of completion and the estimated cost necessary to make the sale.

**G) Provisions, Contingent Liabilities & Contingent Assets**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation arising out of past event or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent assets are not recognized till the realization of the income is virtually certain. However, the same are disclosed in the Consolidated financial statements where an inflow of economic benefit is possible.

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**H) Taxes on Income**

Income tax expense comprises current tax and deferred tax and is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

**Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date in accordance with the provisions of the Income-tax Act, 1961. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts.

**Deferred Tax**

Deferred income tax is calculated using the balance sheet method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and all deductible temporary differences including those arising from expenses deductible in future years on a payment basis are recognised only to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and when the deferred tax balances relate to the same taxation authority.

**I) Revenue Recognition**

The Group recognises revenue in accordance with Ind AS 115-Revenue from Contracts with Customers. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer. A good or service is transferred when the customer obtains control of that good or service.

Revenue is measured at the transaction price allocated to that performance obligation. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer, adjusted for discounts, rebates, scheme allowances, price concessions and incentives, if any, as specified in the contracts with customers. Revenue excludes goods and services tax, sales tax and other amounts collected on behalf of third parties.

**Revenue from Sale of goods**

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer, which generally corresponds to when the significant risks and rewards of ownership pass to the customer and the Group ceases to have any effective control over the goods.

Where contracts include variable consideration (e.g. rights of return, price adjustments), the Group estimates the amount of

variable consideration using the most likely amount or expected value method, whichever better predicts the consideration to which it will be entitled, and recognises revenue only to the extent that it is highly probable that a significant reversal of cumulative revenue will not occur. A refund liability is recognised for goods expected to be returned, and a corresponding right to recover the returned goods is included in assets.

**Revenue from job work charges**

Revenue from job work charges is recognised at a point in time when control of the processed material is transferred to the customer, which is generally when the material is fully processed and dispatched.

**Export incentives**

Income from export incentives and other government incentives is recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and that the incentive will be received. Such income is recognised on an accrual basis in the period in which the underlying export utilization entitlement is established and its collection is reasonably certain.

**Interest income**

For all interest-bearing financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

**J) Foreign currency transactions and translations**

Foreign currency transactions are recorded at exchange rate at the date of transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Consolidated statement of profit and loss. Monetary assets and liabilities in foreign currency are translated into functional currency at the year ended exchange rate. Foreign Exchange gains or losses arising from such transactions are recognised in the statement of profit and loss.

Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

**K) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**L) Segment Reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Group's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Group has a single operating segment (textile) as the operating

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**

results of the Group are reviewed on an overall basis by the CODM.

**M) Financial Instruments**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**
**Initial recognition and measurement**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

**Subsequent measurement:**

Financial assets (other than equity instruments) are subsequently measured under one of the following three categories based on the business model for managing the financial asset and its contractual cash flow characteristics:

**(i) Measured at amortised cost:**

Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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 profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are on specified dates are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate method and impairment losses, if any, are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments measured at Cost:**

Equity investments in subsidiaries / joint ventures / associates are accounted at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

**Equity Instruments measured at FVTOCI or FVTPL:**

All equity investments are measured at fair values. The Group

may irrevocably elect to measure the same either at FVOCI or FVTPL on initial recognition. The Group makes such election on an instrument-by-instrument basis. The fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

**Derecognition:**

A financial asset is derecognised when: (i) the contractual rights to the cash flows from the financial asset expire; or (ii) the Group transfers the financial asset and substantially all the risks and rewards of ownership; or (iii) the Group neither transfers nor retains substantially all the risks and rewards of ownership, but has transferred control of the financial asset.

**Impairment of financial assets:**

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

ii) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**Financial Liabilities**

Financial liabilities include long-term and short term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

**Initial Recognition and measurement**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & Borrowings**

Borrowings are initially recorded at fair value net of transaction cost and subsequently measured at amortized costs using effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

**Trade and other payables**

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

**Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition 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.

**Derivative financial instruments and hedge accounting**

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date.

Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ current liabilities, if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Cash flows hedge that qualify for the hedge accounting

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit & loss, except for the effective portion of cash flow hedge which is recognized in other comprehensive income and presented as separate category of equity which is later reclassified to statement of profit & loss when the hedge item affects profit & loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**N) Earnings Per Share**
**Basic earnings per Share**

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year.

**Diluted earnings per share**

Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**O) Cash Flow Statement**

Cash flows are reported using the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit/(loss) before tax for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**P) Cash and Cash Equivalents**

Cash and cash equivalents in Balance Sheet includes cash on hand, cheque on hand, balance with bank on current account and other short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

**Q) Government Grants**

Government grants are not recognised until there is reasonable

assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income/expense are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the property, plant and equipment are credited to deferred revenue income on account of capital subsidy and recognised in profit and loss on a systematic basis over the expected lives of related assets and presented within other income.

**R) Fair Value Measurement**

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

**S) Recent Accounting Pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time. MCA has notified the following amendments effective from 1 April 2025:

Ind AS 1 - Presentation of Financial Statements (classification of liabilities as current or non-current, including liabilities with covenants);

Ind AS 12 - Income Taxes (International Tax Reform - Pillar Two Model Rules);

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability);

Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures (Supplier Finance Arrangements).

The Group has reviewed these amendments and, based on its evaluation, has determined that they do not have any material impact on the Consolidated financial statements for the year ended 31 March 2026.

**Standards and amendments notified but effective for periods beginning on or after 1 April 2026:**

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1- The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non current and require retrospective application in accordance with Ind AS 8. The Group does not expect any material impact on its consolidated financial statements.

## Notes to the Consolidated Financial statements for the year ended 31st March, 2026

CIN NO. L17115RJ1980PLC002075

## 3 (A) PROPERTY, PLANT AND EQUIPMENT

[₹ in Lakhs]

| Particulars                     | Free Hold Land | Building | Plant and Equipment | Office Equipment | Furniture & Fixtures | Computer | Vehicles | Total     |
|---------------------------------|----------------|----------|---------------------|------------------|----------------------|----------|----------|-----------|
| <b>GROSS BLOCK</b>              |                |          |                     |                  |                      |          |          |           |
| As at 01.04.2024                | 1,188.84       | 1,832.96 | 17,724.84           | 57.38            | 146.90               | 69.68    | 113.32   | 21,133.92 |
| Additions                       | -              | 69.13    | 354.10              | 7.94             | 25.30                | 3.09     | 91.49    | 551.05    |
| Deductions                      | -              | -        | 1,922.56            | 0.52             | 6.95                 | 0.30     | 8.06     | 1,938.39  |
| As at 31.03.2025                | 1,188.84       | 1,902.09 | 16,156.38           | 64.80            | 165.25               | 72.47    | 196.75   | 19,746.58 |
| Additions                       | -              | -        | 926.17              | 2.98             | 11.67                | 3.06     | 5.49     | 949.37    |
| Deductions                      | -              | -        | 499.98              | 0.32             | 23.07                | -        | 2.09     | 525.46    |
| As at 31.03.2026                | 1,188.84       | 1,902.09 | 16,582.57           | 67.46            | 153.85               | 75.53    | 200.15   | 20,170.49 |
| <b>ACCUMULATED DEPRECIATION</b> |                |          |                     |                  |                      |          |          |           |
| As at 01.04.2024                | -              | 1,503.08 | 14,872.68           | 43.50            | 100.96               | 60.83    | 77.22    | 16,658.27 |
| Charge for the year             | -              | 13.28    | 400.76              | 3.31             | 9.17                 | 3.22     | 13.79    | 443.53    |
| Deductions                      | -              | -        | 1,814.14            | 0.29             | 6.16                 | 0.30     | 4.60     | 1,825.49  |
| As at 31.03.2025                | -              | 1,516.36 | 13,459.30           | 46.52            | 103.97               | 63.75    | 86.41    | 15,276.31 |
| Charge for the year             | -              | 14.78    | 414.40              | 4.50             | 10.19                | 3.33     | 14.53    | 461.73    |
| Deductions                      | -              | -        | 461.55              | 0.07             | 22.88                | -        | 0.38     | 484.88    |
| As at 31.03.2026                | -              | 1,531.14 | 13,412.15           | 50.95            | 91.28                | 67.08    | 100.56   | 15,253.16 |
| <b>NET BLOCK</b>                |                |          |                     |                  |                      |          |          |           |
| As at 31.03.2025                | 1,188.84       | 385.73   | 2,697.08            | 18.28            | 61.28                | 8.72     | 110.34   | 4,470.27  |
| As at 31.03.2026                | 1,188.84       | 370.95   | 3,170.42            | 16.51            | 62.57                | 8.45     | 99.59    | 4,917.33  |

3.1 Property, Plant and Equipment existing as on 01.04.2016 i.e. date of transition to IND AS, the Group has elected to use previous GAAP carrying value as deemed cost under IND AS.

3.2 In accordance with the Indian accounting standard (IND AS 36) Impairment of assets, the management has carried out exercise of identifying assets that may have been impaired. On the basis of review carried out by management there was no impairment loss on PPE during the year.

3.3 Title deeds of Immovable Properties not held in name of the Holding Company (Refer Note No. 40)

3.4 The company has not revalued any Property, Plant and Equipment during the year.

## 3 (B) : CAPITAL WORK IN PROGRESS

## CURRENT REPORTING PERIOD

₹ in Lakhs

| PARTICULARS         | GROSS BLOCK      |                |               |                  |
|---------------------|------------------|----------------|---------------|------------------|
|                     | As at 01.04.2025 | Addition       | Deduction     | As at 31.03.2026 |
| Plant and Equipment | 500.96           | 1073.03        | 708.47        | 865.52           |
| <b>Total :</b>      | <b>500.96</b>    | <b>1073.03</b> | <b>708.47</b> | <b>865.52</b>    |

## PREVIOUS REPORTING PERIOD

| PARTICULARS         | GROSS BLOCK      |               |               |                  |
|---------------------|------------------|---------------|---------------|------------------|
|                     | As at 01.04.2024 | Addition      | Deduction     | As at 31.03.2025 |
| Plant and Equipment | 219.78           | 576.20        | 295.02        | 500.96           |
| <b>Total :</b>      | <b>219.78</b>    | <b>576.20</b> | <b>295.02</b> | <b>500.96</b>    |

## CWIP ageing schedule

As at 31.03.2026

| CWIP                           | Amount in CWIP for a period of |          |          |                   | Total         |
|--------------------------------|--------------------------------|----------|----------|-------------------|---------------|
|                                | Less than 1 year               | 1-2 year | 2-3 year | More than 3 years |               |
| Projects in progress           | 865.52                         | -        | -        | -                 | 865.52        |
| Projects temporarily suspended | -                              | -        | -        | -                 | -             |
| <b>TOTAL</b>                   | <b>865.52</b>                  | <b>-</b> | <b>-</b> | <b>-</b>          | <b>865.52</b> |

## CWIP ageing schedule

As at 31.03.2025

| CWIP                           | Amount in CWIP for a period of |          |          |                   | Total         |
|--------------------------------|--------------------------------|----------|----------|-------------------|---------------|
|                                | Less than 1 year               | 1-2 year | 2-3 year | More than 3 years |               |
| Projects in progress           | 500.96                         | -        | -        | -                 | 500.96        |
| Projects temporarily suspended | -                              | -        | -        | -                 | -             |
| <b>TOTAL</b>                   | <b>500.96</b>                  | <b>-</b> | <b>-</b> | <b>-</b>          | <b>500.96</b> |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**Note No. 3 (C) : RIGHT OF USE ASSETS**
**₹ in Lakhs**

| <b>Gross Carrying Amount</b>        | <b>Lease Hold Land</b> |
|-------------------------------------|------------------------|
| <b>Balance as at April 1, 2024</b>  | <b>458.25</b>          |
| Additions                           | 51.86                  |
| Disposals/Adjustments               | —                      |
| <b>Balance as at March 31, 2025</b> | <b>510.11</b>          |
| Additions                           | 4.52                   |
| Disposals/Adjustments               | —                      |
| <b>Balance as at March 31, 2026</b> | <b>514.63</b>          |
| <b>Amortisation</b>                 | <b>Lease Hold Land</b> |
| <b>Balance as at April 1, 2024</b>  | <b>65.46</b>           |
| Amortisation for the year           | 7.28                   |
| Disposals/Adjustments               | —                      |
| <b>Balance as at March 31, 2025</b> | <b>72.74</b>           |
| Amortisation for the year           | 7.72                   |
| Disposals/Adjustments               | —                      |
| <b>Balance as at March 31, 2026</b> | <b>80.46</b>           |
| <b>Net Carrying Amounts</b>         | <b>Lease Hold Land</b> |
| Balance as at March 31, 2025        | 437.37                 |
| Balance as at March 31, 2026        | 434.17                 |

Certain lease agreements are not held in name of the Company (Refer Note No. 40)

**3 (D) : OTHER INTANGIBLE ASSETS**
**CURRENT REPORTING PERIOD**
**₹ in Lakhs**

| <b>PARTICULARS</b> | <b>GROSS BLOCK</b>  |          |           |                     | <b>DEPRECIATION / AMORTISATION</b> |                 |            |                     | <b>NET BLOCK</b>    |
|--------------------|---------------------|----------|-----------|---------------------|------------------------------------|-----------------|------------|---------------------|---------------------|
|                    | As at<br>01.04.2025 | Addition | Deduction | As at<br>31.03.2026 | As at<br>01.04.2025                | For the<br>Year | Deductions | As at<br>31.03.2026 | As at<br>31.03.2026 |
| <b>Software</b>    | 33.34               | —        | —         | <b>33.34</b>        | 33.34                              | —               | —          | 33.34               | —                   |
| <b>Total :</b>     | <b>33.34</b>        | —        | —         | <b>33.34</b>        | <b>33.34</b>                       | —               | —          | <b>33.34</b>        | —                   |

**PREVIOUS REPORTING PERIOD**

| <b>PARTICULARS</b> | <b>GROSS BLOCK</b>  |          |           |                     | <b>DEPRECIATION / AMORTISATION</b> |                 |            |                     | <b>NET BLOCK</b>    |
|--------------------|---------------------|----------|-----------|---------------------|------------------------------------|-----------------|------------|---------------------|---------------------|
|                    | As at<br>01.04.2024 | Addition | Deduction | As at<br>31.03.2025 | As at<br>01.04.2024                | For the<br>Year | Deductions | As at<br>31.03.2025 | As at<br>31.03.2025 |
| <b>Software</b>    | 33.34               | —        | —         | <b>33.34</b>        | 33.34                              | —               | —          | 33.34               | —                   |
| <b>Total :</b>     | <b>33.34</b>        | —        | —         | <b>33.34</b>        | <b>33.34</b>                       | —               | —          | <b>33.34</b>        | —                   |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| PARTICULARS                                                                               | As at<br>31.03.2026 | As at<br>31.03.2025<br>(Refer No. 48) |
|-------------------------------------------------------------------------------------------|---------------------|---------------------------------------|
|                                                                                           |                     |                                       |
| <b>4 INVESTMENTS</b>                                                                      |                     |                                       |
| <b>Non-current Investments</b>                                                            |                     |                                       |
| <b>At Amortised Cost (Unquoted)</b>                                                       |                     |                                       |
| Investment in Govt. Securities*                                                           | 0.30                | 0.30                                  |
| Interest Accrued on Govt. Securities*                                                     | 0.18                | 0.18                                  |
|                                                                                           | <b>0.48</b>         | <b>0.48</b>                           |
| *Pledged with Government Departments                                                      |                     |                                       |
| <b>Current Investments</b>                                                                |                     |                                       |
| <b>Mutual funds-Quoted- Measured at fair value through P&amp;L (FVTPL)</b>                |                     |                                       |
| HDFC Floating Rate debt Fund                                                              | 246.13              | 230.62                                |
| 472469.47 Units (As at 31.03.2025- 472469.47 units)                                       |                     |                                       |
| Pledged 472469 units(As at 31.03.2025-472469 units) with QI Brokerage for F&O Trading)    |                     |                                       |
| HDFC Arbitrage Fund                                                                       | -                   | 1,017.70                              |
| Nil Units (As at 31.03.2025- 3374561.753 units)                                           |                     |                                       |
| Pledged Nil units ( As at 31.03.2025- 3374561 units with Q1 Brokerage for F&O Trading)    |                     |                                       |
| HDFC Liquid Fund                                                                          | 1,079.07            | 1.44                                  |
| 20179.381 Units (As at 31.03.2025- 28.562 units)]                                         |                     |                                       |
| Pledged 20150 units (As at 31.03.2025- nil units) with QI Brokerage for F&O Trading)      |                     |                                       |
| HDFC Flexi Cap Fund                                                                       | 2.63                | 2.67                                  |
| 144.432 Units (As at 31.03.2025- 144.432 units)                                           |                     |                                       |
| HDFC Small Cap Fund                                                                       | 1.26                | 1.29                                  |
| 1064.151 Units (As at 31.03.2025- 1064.151 units)                                         |                     |                                       |
| ABSL Arbitrage Fund                                                                       | -                   | 939.62                                |
| NIL Units (As at 31.03.2025- 3595962.815 units)                                           |                     |                                       |
| Pledged Nil Units (As at 31.03.2025- 3595962 units) with QI Brokerage for F&O Trading     |                     |                                       |
| Aditya Birla SL Liquid Fund                                                               | 42.99               | 40.49                                 |
| 9787.524 Units (As at 31.03.2025- 9787.524 units)                                         |                     |                                       |
| Pledged 9787 units (As at 31.03.202- 9787 Unit) with QI Brokerage for F&O Trading         |                     |                                       |
| Kotak Equity Arbitrage Fund                                                               | 446.88              | 420.97                                |
| 1141462.861 Units (As at 31.03.2025- 1141462.861 units)                                   |                     |                                       |
| Pledged 1141462 units (As at 31.03.2025- 1141462 units) with QI Brokerage for F&O Trading |                     |                                       |
| Kotak Emerging Equity Fund                                                                | 1.65                | 1.60                                  |
| 1350.79 Units (As at 31.03.2025- 1350.79 units)                                           |                     |                                       |
| Kotak Multicap Fund                                                                       | 1.92                | 1.88                                  |
| 11008.255 Units (As at 31.03.2025- 11008.255 units)                                       |                     |                                       |
| Kotak Liquid Fund                                                                         | 39.02               | 36.76                                 |
| 708.444 Units (As at 31.03.2025- 708.444 units)                                           |                     |                                       |
| Pledged 682 units (As at 31.03.2025- 682 units) with QI Brokerage for F&O Trading         |                     |                                       |
| Quant Large Cap Fund                                                                      | 2.62                | 2.77                                  |
| 20178.02 Units (As at 31.03.2025- 20178.02 units)                                         |                     |                                       |
| Quant Active Fund                                                                         | 1.74                | 1.89                                  |
| 323.227 Units (As at 31.03.2025- 323.227 units)                                           |                     |                                       |
| Quant Liquid Plan                                                                         | 1.85                | 1.75                                  |
| 4299.30 Units (As at 31.03.2025- 4299.30 units)                                           |                     |                                       |
| Dsp Equity Opportunities Fund                                                             | 2.48                | 2.58                                  |
| 443.983 Units (As at 31.03.2025- 443.983 units)                                           |                     |                                       |
| Dsp Liquidity Fund                                                                        | 0.98                | 0.92                                  |
| 25.236 Units (As at 31.03.2025- 25.236 units)                                             |                     |                                       |
| SBI Large & Midcap Fund                                                                   | 1.74                | 1.72                                  |
| 301.088 Units (As at 31.03.2025- 301.088 units)                                           |                     |                                       |
| SBI Contra Fund                                                                           | 1.92                | 1.98                                  |
| 551.965 Units (As at 31.03.2025- 551.965 units)                                           |                     |                                       |
| SBI Infrastructure Fund                                                                   | 1.74                | 1.64                                  |
| 3565.674 Units (As at 31.03.2025- 3565.674 units)                                         |                     |                                       |
| SBI Liquid Fund                                                                           | 2.07                | 1.95                                  |
| 48.632 Units (As at 31.03.2025- 48.632 units)                                             |                     |                                       |
| ICICI Pru Focused Equity Fund                                                             | 2.04                | 2.05                                  |
| 2455.127 Units (As at 31.03.2025- 2455.127 units)                                         |                     |                                       |
| ICICI Pru Dividend Yield Equity Fund                                                      | 2.04                | 2.06                                  |
| 4199.273 Units (As at 31.03.2025- 4199.273 units)                                         |                     |                                       |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| <b>PARTICULARS</b>                                                                                                                       | <b>As at<br/>31.03.2026</b> | <b>As at<br/>31.03.2025<br/>(Refer No. 48)</b> |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------|
| ICICI Prudential Liquid<br>378.528 Units (As at 31.03.2025- 378.528 units)                                                               | 1.53                        | 1.44                                           |
| Canara Robeco Multi Cap Fund<br>14737.546 Units (As at 31.03.2025- 14737.546 units)                                                      | 1.89                        | 1.92                                           |
| Canara Robeco Liquid Fund<br>23.286 Units (As at 31.03.2025- 23.286 units)                                                               | 0.76                        | 0.72                                           |
| Invesco India Small Cap Fund<br>4925.196 Units (As at 31.03.2025- 4925.196 units)                                                        | 1.81                        | 1.81                                           |
| Invesco India Liquid Fund<br>20.388 Units (As at 31.03.2025- 20.388 units)                                                               | 0.76                        | 0.72                                           |
|                                                                                                                                          | <b>1,889.52</b>             | <b>2,722.96</b>                                |
| <b>-Debentures-Unquoted - Measured at Fair Value through P&amp;L (FVTPL)</b>                                                             |                             |                                                |
| <b>Redeemable and Non Convertible</b>                                                                                                    |                             |                                                |
| ARGFL Nifty50 -Debentures<br>( 88 Units of face value Rs. 100000/-(As at 31.03.2025 88 units)]                                           | <b>110.00</b>               | <b>110.00</b>                                  |
| Redeemable on 23.02.2030 at Face value*(1+Product return)*1.25                                                                           | <b>110.00</b>               | <b>110.00</b>                                  |
|                                                                                                                                          | 1,999.52                    | 2,832.96                                       |
| Aggregate value of Quoted investments-At Cost                                                                                            | 1,763.78                    | 2,510.07                                       |
| Aggregate value of unquoted investments-At Cost                                                                                          | 110.00                      | 110.00                                         |
| Aggregate value of Quoted investments-At Market Value                                                                                    | 1,889.52                    | 2,722.96                                       |
| Aggregate value of pledged investment in MF                                                                                              | 1,851.07                    | 2,684.78                                       |
| <b>5 OTHER FINANCIAL ASSETS</b>                                                                                                          |                             |                                                |
| <b>(Unsecured considered good)</b>                                                                                                       |                             |                                                |
| <b>Non Current</b>                                                                                                                       |                             |                                                |
| Deposit with Government Departments / Others                                                                                             | 349.61                      | 324.52                                         |
| Fixed Deposits with Banks under lien (Refer foot note a and b)                                                                           | 633.94                      | 321.80                                         |
| Fixed Deposits With Banks (Refer foot Note a)                                                                                            | 35.89                       | 29.48                                          |
| Interest accrued on deposits                                                                                                             | 21.01                       | 5.89                                           |
|                                                                                                                                          | <b>1,040.45</b>             | <b>681.69</b>                                  |
| a. All FDRs having original maturity more than 12 months                                                                                 |                             |                                                |
| b. Fixed Deposits with Banks under lien held as margin against Bank Guarantee,<br>other commitments and security against Overdraft Limit |                             |                                                |
| <b>Current</b>                                                                                                                           |                             |                                                |
| Interest accrued on deposits                                                                                                             | 19.60                       | 20.22                                          |
| Employees advances                                                                                                                       | 32.14                       | 34.11                                          |
| Derivative Financial Assets                                                                                                              | -                           | 1.10                                           |
|                                                                                                                                          | <b>51.74</b>                | <b>55.43</b>                                   |
| <b>6 OTHER ASSETS</b>                                                                                                                    |                             |                                                |
| <b>(Unsecured considered good)</b>                                                                                                       |                             |                                                |
| <b>Non-Current</b>                                                                                                                       |                             |                                                |
| Deposits under Protest                                                                                                                   | 36.13                       | 34.70                                          |
| Capital Advance                                                                                                                          | 106.40                      | 118.17                                         |
| Export Benefits                                                                                                                          | 108.20                      | 97.86                                          |
| Prepaid Expenses                                                                                                                         | 10.41                       | 7.18                                           |
| Other Receivables                                                                                                                        | 7.72                        | 30.59                                          |
|                                                                                                                                          | <b>268.86</b>               | <b>288.50</b>                                  |
| <b>Current</b>                                                                                                                           |                             |                                                |
| Prepaid Expenses                                                                                                                         | 29.84                       | 16.96                                          |
| Advances to Suppliers                                                                                                                    | 105.40                      | 237.13                                         |
| Advance Lease Rental*                                                                                                                    | 250.80                      |                                                |
| Balance with Revenue Authorities                                                                                                         | 137.56                      | 182.18                                         |
| Other Receivables                                                                                                                        | 345.62                      | 321.83                                         |
|                                                                                                                                          | <b>869.22</b>               | <b>758.10</b>                                  |

\*The Holding Company has entered into a lease agreement for a Solar Power Plant to be installed at its manufacturing premises at Raila, Bhilwara, Rajasthan. The lease not commenced as at 31st March, 2026, as the plant was not yet available for use by the Holding Company on the Balance Sheet date. The Right-of-Use asset and corresponding lease liability in respect of the above lease will be recognised in the consolidated financial statements on commencement of the lease, when the underlying asset is made available for use.

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**₹ in Lakhs**

| PARTICULARS                                                                                       | As at<br>31.03.2026 | As at<br>31.03.2025<br>(Refer No. 48) |
|---------------------------------------------------------------------------------------------------|---------------------|---------------------------------------|
|                                                                                                   |                     |                                       |
| <b>7 INVENTORIES</b>                                                                              |                     |                                       |
| (At lower of cost and Net Realisable value)                                                       |                     |                                       |
| Raw Material                                                                                      | 2,855.53            | 3,013.92                              |
| Stores & Spares (including Capital Stores)                                                        | 162.78              | 109.24                                |
| Work in Process                                                                                   | 1,359.03            | 896.05                                |
| Finished Goods                                                                                    | 6,084.64            | 3,639.95                              |
|                                                                                                   | <b>10,461.98</b>    | <b>7,659.16</b>                       |
| Raw Material includes in transit inventory of Rs. 552.98 Lakhs( As at 31.3.2025 Rs. 350.85 Lakhs) |                     |                                       |
| Stores & Spares includes in transit inventory of Rs. 40.71 Lakhs( As at 31.3.2025 Rs Nil )        |                     |                                       |
| <b>8 TRADE RECEIVABLES</b>                                                                        |                     |                                       |
| <b>Current</b>                                                                                    |                     |                                       |
| Trade Receivables considered good - Unsecured                                                     | 3,953.02            | 4,635.51                              |
| Trade Receivables which have significant increase in Credit Risk                                  | 113.04              | 57.18                                 |
| Trade Receivables - credit impaired                                                               | 28.08               | 32.64                                 |
|                                                                                                   | <b>4,094.14</b>     | <b>4,725.33</b>                       |
| Less: Allowance for doubtful Trade Receivables                                                    | 39.38               | 38.35                                 |
|                                                                                                   | <b>4,054.76</b>     | <b>4,686.98</b>                       |

8.1 Balance of trade receivables are subject to reconciliations, confirmation and consequential adjustment, if any.

8.2 Trade Receivables ageing schedule for the year ended as on March 31, 2026 and March 31, 2025:

**As at 31.03.2026**

| Particulars                                                                        | Outstanding for following periods from due date of payment |                       |                     |              |               |                      |                |
|------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------|---------------------|--------------|---------------|----------------------|----------------|
|                                                                                    | Not Due                                                    | Less than<br>6 months | 6 Months-<br>1 year | 1-2 years    | 2-3 years     | More than<br>3 years | Total          |
| (i) Undisputed Trade Receivables –considered good                                  | 2916.68                                                    | 754.94                | 196.11              | 85.29        | —             | —                    | 3953.02        |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | —                                                          | —                     | —                   | —            | 113.04        | —                    | 113.04         |
| (iii) Undisputed Trade Receivables – credit impaired                               | —                                                          | —                     | —                   | —            | —             | 6.97                 | 6.97           |
| (iv) Disputed Trade Receivables – considered good                                  | —                                                          | —                     | —                   | —            | —             | —                    | —              |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | —                                                          | —                     | —                   | —            | —             | —                    | —              |
| (vi) Disputed Trade Receivables –credit impaired                                   | —                                                          | —                     | —                   | —            | 6.94          | 14.17                | 21.11          |
| <b>TOTAL</b>                                                                       | <b>2916.68</b>                                             | <b>754.94</b>         | <b>196.11</b>       | <b>85.29</b> | <b>119.98</b> | <b>21.14</b>         | <b>4094.14</b> |
| Less : Allowacne for doubtful Trade Receivable                                     |                                                            |                       |                     |              |               |                      | (39.38)        |
|                                                                                    |                                                            |                       |                     |              |               |                      | <b>4054.76</b> |

**As at 31.03.2025 (Refer No. 48)**

| Particulars                                                                        | Outstanding for following periods from due date of payment |                       |                     |               |              |                      |                |
|------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------|---------------------|---------------|--------------|----------------------|----------------|
|                                                                                    | Not Due                                                    | Less than<br>6 months | 6 Months-<br>1 year | 1-2 years     | 2-3 years    | More than<br>3 years | Total          |
| (i) Undisputed Trade Receivables –considered good                                  | 3543.18                                                    | 651.03                | 267.77              | 171.53        | —            | —                    | 4635.51        |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | —                                                          | —                     | —                   | —             | 57.18        | —                    | 57.18          |
| (iii) Undisputed Trade Receivables – credit impaired                               | —                                                          | —                     | —                   | —             | —            | 5.05                 | 5.05           |
| (iv) Disputed Trade Receivables – considered good                                  | —                                                          | —                     | —                   | —             | —            | —                    | —              |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | —                                                          | —                     | —                   | —             | —            | —                    | —              |
| (vi) Disputed Trade Receivables –credit impaired                                   | —                                                          | —                     | —                   | 6.94          | —            | 20.65                | 27.59          |
| <b>TOTAL</b>                                                                       | <b>3543.18</b>                                             | <b>651.03</b>         | <b>269.77</b>       | <b>178.47</b> | <b>57.18</b> | <b>25.70</b>         | <b>4725.33</b> |
| Less : Allowacne for doubtful Trade Receivable                                     |                                                            |                       |                     |               |              |                      | (38.35)        |
|                                                                                    |                                                            |                       |                     |               |              |                      | <b>4686.98</b> |

**8.3 Movement for allowance in Doubtful Debts**

|                                                 |              |              |
|-------------------------------------------------|--------------|--------------|
| Opening Balance                                 | 38.35        | 22.41        |
| Allowances made                                 | 17.63        | 16.81        |
| Less : Reversal of Provision for Doubtful Debts | 16.60        | 0.87         |
| Closing Balance                                 | <b>39.38</b> | <b>38.35</b> |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| PARTICULARS                                                                                          | As at<br>31.03.2026 | As at<br>31.03.2025<br>(Refer No. 48) |
|------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------|
|                                                                                                      |                     |                                       |
| <b>9 CASH AND CASH EQUIVALENTS</b>                                                                   |                     |                                       |
| Cash on hand                                                                                         | 11.39               | 8.63                                  |
| <b>Balances with Banks</b>                                                                           |                     |                                       |
| In Current Accounts                                                                                  | 468.44              | 78.08                                 |
|                                                                                                      | <b>479.83</b>       | <b>86.71</b>                          |
| <b>10 OTHER BANK BALANCES</b>                                                                        |                     |                                       |
| Fixed Deposits with Banks (Refer foot Note a)                                                        | 11.59               | 83.81                                 |
| Fixed Deposits with Banks under lien (Refer Foot Note a and b)                                       | -                   | 10.85                                 |
|                                                                                                      | <b>11.59</b>        | <b>94.66</b>                          |
| a. All deposits are having original maturity between 3 to 12 months                                  |                     |                                       |
| b. Fixed Deposits with Banks under lien held as margin against Bank Guarantee, and other commitments |                     |                                       |
| <b>11 INCOME TAX ASSETS</b>                                                                          |                     |                                       |
| <b>Current</b>                                                                                       |                     |                                       |
| Advance Tax/TDS/TCS receivable*                                                                      | 4.35                | 128.48                                |
| less : Current tax*                                                                                  | -                   | (118.80)                              |
|                                                                                                      | <b>4.35</b>         | <b>9.68</b>                           |
| *Refer Note 19 for FY 2024-25                                                                        |                     |                                       |
| <b>12 EQUITY SHARE CAPITAL</b>                                                                       |                     |                                       |
| <b>Authorised :</b>                                                                                  |                     |                                       |
| <b>Equity Share Capital</b>                                                                          |                     |                                       |
| 18,50,00,000 (18,50,00,000 as at 31.03.2025)                                                         | 18,500.00           | 18,500.00                             |
| Equity Shares of Rs. 10/- each                                                                       | <b>18,500.00</b>    | <b>18,500.00</b>                      |
| <b>Preference Share Capital</b>                                                                      |                     |                                       |
| 20,00,000 (20,00,000 as at 31.03.2025)                                                               | 2,000.00            | 2,000.00                              |
| Preference Shares of Rs. 100/- each<br>(Refer Note No. 16)                                           | <b>2,000.00</b>     | <b>2,000.00</b>                       |
| Issued, subscribed and fully paid-up Equity                                                          |                     |                                       |
| 3,47,75,160 Equity Shares (3,47,75,160 as at 31.03.2025) of Rs.10/- each                             | 3,477.52            | 3,477.52                              |
|                                                                                                      | <b>3,477.52</b>     | <b>3,477.52</b>                       |

**12.1 The Reconciliation of number of equity share outstanding at the beginning and at the end of the reporting period**

| Particulars                              | As at 31.03.2026  |                 | As at 31.03.2025  |                 |
|------------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                          | Nos               | Rs. in Lakhs    | Nos               | Rs. in Lakhs    |
| Outstanding at the beginning of the year | 34,775,160        | 3,477.52        | 34,775,160        | 3,477.52        |
| Add: Shares issued during the year       | -                 | -               | -                 | -               |
| Outstanding at the end of the year       | <b>34,775,160</b> | <b>3,477.52</b> | <b>34,775,160</b> | <b>3,477.52</b> |

**12.2 Terms/rights attached to equity shares**

The Holding company has one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Holding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**12.3 The details of shareholders holding more than 5% of the shares in the company**

| Name of the Share holders                                                             | As at 31.03.2026 |              | As at 31.03.2025 |              |
|---------------------------------------------------------------------------------------|------------------|--------------|------------------|--------------|
|                                                                                       | No. of Shares    | % of Holding | No. of Shares    | % of Holding |
| 1) Generotrade Exim LLP                                                               | 15660889         | 45.03        | 15636901         | 44.97        |
| 2) Arihant Beneficiary Trust through Smt Lalitha Ranka                                | 7000000          | 20.13        | 7000000          | 20.13        |
| 3) Administrator of the specified undertaking of Unit Trust of India unit scheme 1964 | 1876217          | 5.40         | 2013777          | 5.79         |
| 4) Unit Trust of India                                                                | 906356           | 2.61         | 906356           | 2.61         |

**12.4 Details of Shares held by promoters at the end of the year**

| Promoter Name                                          | As at 31.03.2026 |              | As at 31.03.2025 |              | % change during the year |
|--------------------------------------------------------|------------------|--------------|------------------|--------------|--------------------------|
|                                                        | No. of Shares    | % of Holding | No. of Shares    | % of Holding |                          |
| 1) Generotrade Exim LLP                                | 15660889         | 45.03        | 15636901         | 44.97        | 0.06%                    |
| 2) Arihant Beneficiary Trust through Smt Lalitha Ranka | 7000000          | 20.13        | 7000000          | 20.13        | -                        |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| PARTICULARS                                                                                                                                                                                                                                      | As at<br>31.03.2026 | As at<br>31.03.2025<br>(Refer No. 48) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------|
|                                                                                                                                                                                                                                                  |                     |                                       |
| 12.5 The Holding Company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus Shares or Bought back any equity shares during the last five years immediately preceding the Balance sheet date. |                     |                                       |
| <b>13 OTHER EQUITY</b>                                                                                                                                                                                                                           |                     |                                       |
| a Capital Reserve                                                                                                                                                                                                                                | 35.90               | 35.90                                 |
| b Capital Redemption Reserve                                                                                                                                                                                                                     | 875.00              | 875.00                                |
| c Securities Premium                                                                                                                                                                                                                             | 7,985.77            | 7,985.77                              |
| d Debenture Redemption Reserve                                                                                                                                                                                                                   | -                   | 970.00                                |
| e Retained Earnings                                                                                                                                                                                                                              | 2,172.73            | (73.22)                               |
| f Other Comprehensive Income                                                                                                                                                                                                                     |                     |                                       |
| Effective Portion of Cash Flow Hedge                                                                                                                                                                                                             | -                   | 1.10                                  |
| Foreign currency translation reserve                                                                                                                                                                                                             | (7.01)              |                                       |
| <b>Total Other Equity</b>                                                                                                                                                                                                                        | <b>11,062.39</b>    | <b>9,794.55</b>                       |
| a Capital Reserve                                                                                                                                                                                                                                |                     |                                       |
| Balance at the beginning of the year                                                                                                                                                                                                             | 35.90               | 35.90                                 |
| Balance at the end of the year                                                                                                                                                                                                                   | <b>35.90</b>        | <b>35.90</b>                          |
| b Capital Redemption Reserve                                                                                                                                                                                                                     |                     |                                       |
| Balance at the beginning of the year                                                                                                                                                                                                             | 875.00              | 875.00                                |
| Balance at the end of the year                                                                                                                                                                                                                   | <b>875.00</b>       | <b>875.00</b>                         |
| c Securities Premium                                                                                                                                                                                                                             |                     |                                       |
| Balance at the beginning of the year                                                                                                                                                                                                             | 7,985.77            | 7,985.77                              |
| Balance at the end of the year                                                                                                                                                                                                                   | <b>7,985.77</b>     | <b>7,985.77</b>                       |
| d Debenture Redemption Reserve                                                                                                                                                                                                                   |                     |                                       |
| Balance at the beginning of the year                                                                                                                                                                                                             | 970.00              | 970.00                                |
| Less: Transferred to Retained Earnings                                                                                                                                                                                                           | (970.00)            | -                                     |
| Balance at the end of the year                                                                                                                                                                                                                   | <b>-</b>            | <b>970.00</b>                         |
| e Retained Earnings                                                                                                                                                                                                                              |                     |                                       |
| Balance at the beginning of the year                                                                                                                                                                                                             | (73.22)             | (430.05)                              |
| Add: Transferred from Debenture Redemption Reserve                                                                                                                                                                                               | 970.00              | -                                     |
| Add: Profit for the year                                                                                                                                                                                                                         | 1,218.87            | 336.93                                |
| Add: Other comprehensive income                                                                                                                                                                                                                  |                     |                                       |
| Arising from re-measurement of defined benefit plans (net of tax)                                                                                                                                                                                | 57.08               | 19.90                                 |
| Balance at the end of the year                                                                                                                                                                                                                   | <b>2,172.73</b>     | <b>(73.22)</b>                        |
| f Other Comprehensive Income                                                                                                                                                                                                                     |                     |                                       |
| i. Effective Portion of Cash Flow Hedge                                                                                                                                                                                                          |                     |                                       |
| Balance at the beginning of the year                                                                                                                                                                                                             | 1.10                | -                                     |
| Addition During the year                                                                                                                                                                                                                         | (1.10)              | 1.10                                  |
| Balance at the end of the year                                                                                                                                                                                                                   | <b>-</b>            | <b>1.10</b>                           |
| ii. Foreign currency translation reserve                                                                                                                                                                                                         |                     |                                       |
| Balance at the beginning of the year                                                                                                                                                                                                             | (7.01)              | -                                     |
| Addition During the year                                                                                                                                                                                                                         | (7.01)              | -                                     |
| Balance at the end of the year                                                                                                                                                                                                                   | <b>(7.01)</b>       | <b>-</b>                              |
| Total Other Equity                                                                                                                                                                                                                               | <b>11,062.39</b>    | <b>9,794.55</b>                       |

**13.1 Nature and purpose of each reserve within equity is as follows:**

**A) Capital Reserve**

Capital Reserve is mainly the reserve created by transferring the capital Subsidy received from Government in earlier years in accordance with applicable accounting standards on that date.

**B) Capital Redemption Reserve**

Capital Redemption Reserve has been created for redemption of Preference Share Capital.

**C) Securities Premium**

Security Premium Account was created on issue of shares at premium. These reserves can be utilised in accordance with Section 52 of Companies Act 2013.

**D) Debenture Redemption Reserve**

Debenture Redemption Reserve had been created for redemption of Debentures. Since, no debentures are outstanding for redemption, hence, balance transferred to retained earnings.

**E) Retained Earnings**

Retained earnings represents undistributed earning after taxes of the group which can be distributed to its equity shareholders in accordance with the requirement of Companies Act, 2013.

**F) Foreign currency translation reserve**

Foreign currency translation reserve represents exchange differences arising on translation of the financial statements of wholly owned foreign subsidiary into INR on consolidation.

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| PARTICULARS                                | As at<br>31.03.2026 | As at<br>31.03.2025<br>(Refer No. 48) |
|--------------------------------------------|---------------------|---------------------------------------|
|                                            |                     |                                       |
| <b>14 BORROWINGS</b>                       |                     |                                       |
| <b>Non Current</b>                         |                     |                                       |
| <b>Secured</b>                             |                     |                                       |
| Working Capital Facilities from Bank       | -                   | -                                     |
| <b>Current</b>                             |                     |                                       |
| <b>Secured</b>                             |                     |                                       |
| Working Capital Facilities from Bank       | 2235.56             | 1,094.81                              |
| Bank Overdraft                             | 199.29              | 153.66                                |
| <b>Unsecured</b>                           |                     |                                       |
| Inter Corporate Loans from Related Parties | 830.00              | 855.00                                |
|                                            | <b>3264.85</b>      | <b>2,103.47</b>                       |

**i. Working Capital Facilities from Bank**

- a. Working Capital Borrowings from UCO Bank is secured by first and exclusive charge over on entire current assets comprising of Stock of raw material, Stores & spares, stocks in process, finished Goods, book debts/ receivable and plant & machinery both present and future .  
It is also secured by way of equitable mortgage on Industrial Property of Land & Building measuring 144.60 bigha situated at Plot no old khasra no. 2702,2703,705,2707,2708,2709,2710,2711,2719,2704,4025/2706,4021/2697 of Village Raila & Khasra no 3123/1516,3124/1514 of Village Lambia Kalan, National Highway -48 , Distt Shahpura  
It is further secured by personal guarantee of Shri Rajesh Ranka, CMD of the Holding company.
- b. Working capital facilities are repayable on demand and it carry interest at the rate UCO float rate +0% i.e 8.05% per annum.  
(Previous year 8.75% per annum)

**ii. Bank Overdraft**

- a. Bank Overdraft from HDFC bank is secured by way of lien on FDR of Rs. 260.00 lakhs .  
b. It is repayable in 12 months and carry interest at the rate 7.10% per annum. ( Previous year 7.25% per annum)

**iii. Inter Corporate Loans from Related Parties**

It is repayable in 12 months and carry interest at the rate 7.00% per annum.( Previous year 7.00% per annum)

**14.1 The variation between quarterly statements filed with banks and amount as per books of accounts is as under:**

| Quarter | Name of the Bank | Particulars of Securities Provided | Amount as per books of accounts | Amount as reported in the quarterly return/ statement(original/revised) | Amount of Difference | Reason for Material Discrepancies |
|---------|------------------|------------------------------------|---------------------------------|-------------------------------------------------------------------------|----------------------|-----------------------------------|
| Jun-25  | UCO Bank         | Stock & Book Debts                 | 11767.15                        | 10635.75                                                                | 1131.40              | *                                 |
| Sep-25  |                  |                                    | 12602.84                        | 11042.91                                                                | 1559.93              |                                   |
| Dec-25  |                  |                                    | 13430.29                        | 12101.79                                                                | 1328.50              |                                   |
| Mar-26  |                  |                                    | 14615.57                        | 13341.39                                                                | 1,274.18             |                                   |

\*The Holding Company submits drawing power (DP) statements on monthly basis to UCO Bank by 15th of the next month and the difference arises mainly due to filing of stock statements with bank with ageing of trade receivables upto 90 days only."

**15 TRADE PAYABLES**

₹ in Lakhs

| PARTICULARS                                                                             | As at<br>31.03.2026 | As at<br>31.03.2025 |
|-----------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                         |                     |                     |
| Total outstanding dues of Micro enterprises and small enterprises                       | 91.43               | 122.16              |
| Total outstanding dues of creditors other than Micro enterprises and small enterprises* | 3695.54             | 3,400.88            |
|                                                                                         | <b>3786.97</b>      | <b>3,523.04</b>     |
|                                                                                         | <b>3029.95</b>      | <b>2936.01</b>      |

\*Includes amount due to related parties (refer Note 37)

**15.1 Balances of trade payables are subject to reconciliation, confirmation and consequential adjustments, if any.**

**15.2 Disclosures relating to amounts payable as at the year end together with interest paid / payable to Micro and Small Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') to the extent of information available with the Group determined on the basis of intimation received from suppliers regarding their status and the required disclosure is given below :**

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| PARTICULARS                                                                                                                                                                                                                                                                | As at<br>31.03.2026 | As at<br>31.03.2025<br>(Refer No. 48) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------|
|                                                                                                                                                                                                                                                                            |                     |                                       |
| a The principal amount remaining unpaid to supplier as at the end of the year                                                                                                                                                                                              | 91.43               | 122.16                                |
| b Interest due thereon remaining unpaid to supplier as at the end of the year                                                                                                                                                                                              | -                   | -                                     |
| c The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 , along with the amount of the payment made to the supplier beyond the appointed day during each accounting year                        | -                   | -                                     |
| d 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 this Act                                                             | -                   | -                                     |
| e The amount of Interest accrued & remaining unpaid at the end of the year                                                                                                                                                                                                 | -                   | -                                     |
| f 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 this Act. | -                   | -                                     |

**15.3 Trade Payable ageing Schedule**

As at 31.03.2026

| Particulars                | Not Due       | Outstanding for periods from due date of payment |              |               |                  |                 |
|----------------------------|---------------|--------------------------------------------------|--------------|---------------|------------------|-----------------|
|                            |               | Less than 1 Year                                 | 1-2 years    | 2-3 years     | More than 3 Year | Total           |
| (i) MSME                   | 89.07         | 2.36                                             | -            | -             | -                | 91.43           |
| (ii) Others                | 483.04        | 239.53                                           | 69.17        | 151.20        | 2,722.18         | 3,665.12        |
| (iii) Disputed dues- MSME  | -             | -                                                | -            | -             | -                | -               |
| (iv) Disputed dues- Others | -             | -                                                | -            | -             | 30.42            | 30.42           |
| <b>TOTAL</b>               | <b>572.11</b> | <b>241.89</b>                                    | <b>69.17</b> | <b>151.20</b> | <b>2,752.60</b>  | <b>3,786.97</b> |

As at 31.03.2025

| Particulars                | Not Due       | Outstanding for periods from due date of payment |               |               |                  |                 |
|----------------------------|---------------|--------------------------------------------------|---------------|---------------|------------------|-----------------|
|                            |               | Less than 1 Year                                 | 1-2 years     | 2-3 years     | More than 3 Year | Total           |
| (i) MSME                   | 122.16        | -                                                | -             | -             | -                | 122.16          |
| (ii) Others                | 266.19        | 200.48                                           | 156.80        | 972.75        | 1,760.82         | 3,357.04        |
| (iii) Disputed dues- MSME  | -             | -                                                | -             | -             | -                | -               |
| (iv) Disputed dues- Others | -             | -                                                | -             | -             | 43.84            | 43.84           |
| <b>TOTAL</b>               | <b>388.35</b> | <b>200.48</b>                                    | <b>156.80</b> | <b>972.75</b> | <b>1,804.66</b>  | <b>3,523.04</b> |

₹ in Lakhs

| PARTICULARS                                                                      | As at<br>31.03.2026 | As at<br>31.03.2025 |
|----------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                  |                     |                     |
| <b>16 OTHER FINANCIAL LIABILITY</b>                                              |                     |                     |
| <b>Current</b>                                                                   |                     |                     |
| Share Application Money refundable (Refer note 16.1)                             | 1,450.00            | 1,450.00            |
| Sundry deposits                                                                  | 46.79               | 47.69               |
| Other payable                                                                    | 854.33              | 763.06              |
| Excess Cheques issued in Current Accounts                                        | -                   | 28.29               |
| Preference Share Capital                                                         |                     |                     |
| - 16.50% Cumulative Redeemable Preference Share of Rs. 100/- each fully paid up. | 25.00               | 25.00               |
| -16% Cumulative Redeemable Preference Share of Rs. 100/- each fully paid up.     | 200.00              | 200.00              |
|                                                                                  | <b>2,576.12</b>     | <b>2,514.04</b>     |

**16.1** Share Application Money Rs. 1450 Lakhs has been raised pursuant to restructuring/settlement scheme submitted to BIFR. Consequent to enactment of Sick Industrial Companies (Special Provision) Repeal Act, 2003 (SICA Repeal Act) with effect from 1/12/2016, it became refundable.

**16.2 Preference Share Capital**

- Preference Shares Rs. 225 Lakhs were redeemable in F.Y. 2001-02 Rs. 6.25 Lakhs, F.Y. 2002-03 Rs. 72.92 Lakhs F.Y. 2003-04 Rs. 72.92 Lakhs and F.Y. 2004-05 Rs. 72.91 Lakhs. Consequent to enactment of Sick Industrial Companies (Special Provision) Repeal Act, 2003 (SICA Repeal Act) with effect from 1/12/2016, the Holding company is in process of settlement with respective Preference Shareholders.
- Interest on cumulative redeemable preference shares amounting to Rs. 36.13 Lakhs for the year and Rs. 1083.87 Lakhs cumulative up to 31.03.2026 (FY 2024-25 Rs. 36.13 Lakhs & cumulative up to 31-03-2025 Rs. 1047.74 Lakhs) has not been provided as the Holding company is in process of settlement of remaining redeemable preference share capital.

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
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- c. The Cumulative Redeemable Preference Share holders are entitled to cumulative interest at the rate specified. Each share holder of Cumulative Redeemable Preference Shares is entitled to one vote per share only on resolution placed before the holding company, which directly affects the right attached to cumulative redeemable preference share. Since the interest in respect of cumulative preference share holders has not been paid for more than two years, cumulative redeemable preference share holder have right to 10 votes per share on every resolution placed before the Holding company in a meeting.
- d. In the event of liquidation of the company, the holder of cumulative redeemable preference share will have priority over equity share holders in the payment of interest and re-payment of capital.

**e. Details of preference shareholders holding more than 5% shares**
**₹ in Lakhs**

| Name of Shareholders                       | As at 31.03.2026         |               | As at 31.03.2025         |               |
|--------------------------------------------|--------------------------|---------------|--------------------------|---------------|
|                                            | No. of preference shares | % of holding  | No. of preference shares | % of holding  |
| <b>16.50% Preference share holders</b>     |                          |               |                          |               |
| 1) The New India Assurance Company Limited | 25,000                   | 100.00        | 25,000                   | 100.00        |
|                                            | <b>25,000</b>            | <b>100.00</b> | <b>25,000</b>            | <b>100.00</b> |
| <b>16% Preference share holders</b>        |                          |               |                          |               |
| 1) The New India Assurance Company Limited | 1,25,000                 | 62.50         | 1,25,000                 | 62.50         |
| 2) National Insurance Company Limited      | 75,000                   | 37.50         | 75,000                   | 37.50         |
|                                            | <b>2,00,000</b>          | <b>100.00</b> | <b>2,00,000</b>          | <b>100.00</b> |

**f. The Reconciliation of number of Preference share outstanding at the beginning and at the end of the reporting period**

| Name of Shareholders                      | As at 31.03.2026 |                      | As at 31.03.2025 |                      |
|-------------------------------------------|------------------|----------------------|------------------|----------------------|
|                                           | Nos              | Amount<br>₹ in Lakhs | Nos              | Amount<br>₹ in Lakhs |
| Outstanding at the beginning of the year  | 2,25,000         | 225.00               | 2,25,000         | 225.00               |
| Add: Shares issued                        | —                | —                    | —                | —                    |
| Less: Redeemed/settled during the year    | —                | —                    | —                | —                    |
| <b>Outstanding at the end of the year</b> | <b>2,25,000</b>  | <b>225.00</b>        | <b>2,25,000</b>  | <b>225.00</b>        |

**₹ in Lakhs**

| PARTICULARS                             | As at<br>31.03.2026 | As at<br>31.03.2025 |
|-----------------------------------------|---------------------|---------------------|
| <b>17 OTHER CURRENT LIABILITIES</b>     |                     |                     |
| Advance from customers                  | 57.33               | 101.52              |
| Other Payable                           | 5.92                | 7.95                |
| Statutory Dues                          | 558.52              | 537.72              |
|                                         | <b>621.77</b>       | <b>647.19</b>       |
| <b>18 PROVISIONS</b>                    |                     |                     |
| <b>Non-current</b>                      |                     |                     |
| <b>For Employees benefit</b>            |                     |                     |
| Gratuity                                | 285.45              | 310.41              |
| Un-availed leave                        | 77.33               | 88.64               |
|                                         | <b>362.78</b>       | <b>399.05</b>       |
| <b>Current</b>                          |                     |                     |
| <b>For Employees benefit</b>            |                     |                     |
| Gratuity                                | 93.73               | 75.56               |
| Un-availed leave                        | 31.03               | 27.40               |
|                                         | <b>124.76</b>       | <b>102.96</b>       |
| <b>19 CURRENT TAX LIABILITIES (Net)</b> |                     |                     |
| Current Tax*                            | 536.68              | —                   |
| Less- TDS/TCS*                          | 355.25              | —                   |
|                                         | <b>181.43</b>       | <b>—</b>            |

**Note : Current Year Tax calculated on the Basis of provision of Income Tax Act, 1961**
**\*Refer Note 11 for FY 2024-25**

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
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₹ in Lakhs

| <b>PARTICULARS</b>                                                                                                                                                                                                                                                                                                                                       | <b>Year ended<br/>March 31, 2026</b> | <b>Year ended<br/>March 31, 2025<br/>(Refer No. 48)</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------|
| <b>20 REVENUE FROM OPERATIONS</b>                                                                                                                                                                                                                                                                                                                        |                                      |                                                         |
| Sale of Products                                                                                                                                                                                                                                                                                                                                         | 28913.65                             | 25,543.67                                               |
| Sale of services                                                                                                                                                                                                                                                                                                                                         | 47.90                                | 34.83                                                   |
| Other operating revenue                                                                                                                                                                                                                                                                                                                                  |                                      |                                                         |
| Export Incentives/ benefits                                                                                                                                                                                                                                                                                                                              | 335.52                               | 307.13                                                  |
| Sale of Raw Material                                                                                                                                                                                                                                                                                                                                     | 128.94                               | 71.04                                                   |
| Scrap Sales                                                                                                                                                                                                                                                                                                                                              | 49.16                                | 47.81                                                   |
|                                                                                                                                                                                                                                                                                                                                                          | <b>29,475.17</b>                     | <b>26,004.48</b>                                        |
| <b>21 OTHER INCOME</b>                                                                                                                                                                                                                                                                                                                                   |                                      |                                                         |
| Interest received on financial assets carried at amortised cost                                                                                                                                                                                                                                                                                          | 58.85                                | 60.05                                                   |
| Rent Income                                                                                                                                                                                                                                                                                                                                              | 1.38                                 | 0.78                                                    |
| Profit on Sale of PPE                                                                                                                                                                                                                                                                                                                                    | 37.70                                | 55.24                                                   |
| Gain on Sale of Investment                                                                                                                                                                                                                                                                                                                               | 239.87                               | 0.06                                                    |
| Fair value gain on investment *                                                                                                                                                                                                                                                                                                                          | -                                    | 160.58                                                  |
| Sundry Balances written back                                                                                                                                                                                                                                                                                                                             | 12.59                                | 129.36                                                  |
| Foreign currency transaction and translation gain                                                                                                                                                                                                                                                                                                        | 587.83                               | 280.55                                                  |
| Miscellaneous Income                                                                                                                                                                                                                                                                                                                                     | 7.69                                 | 5.51                                                    |
| Gain on exchange traded derivatives**                                                                                                                                                                                                                                                                                                                    | 222.06                               | 292.88                                                  |
|                                                                                                                                                                                                                                                                                                                                                          | <b>1,167.97</b>                      | <b>985.01</b>                                           |
| * in FY 2025-26, there is fair value loss on investment disclosed in note 28                                                                                                                                                                                                                                                                             |                                      |                                                         |
| **The Holding Company undertakes trading in exchange-traded Futures and Options (F&O) and commodity derivatives on recognised stock exchanges. These derivative contracts are not designated as hedging instruments and accordingly do not form part of Company's hedge flow programme. There are no open positions of F&O or commodity at the year end. |                                      |                                                         |
| Mutual fund units having a fair value of ₹ 1851.07 lakhs ( 2684.78 lakhs) were pledged as margin with the broker (Refer Note No. 4)                                                                                                                                                                                                                      |                                      |                                                         |
| <b>22 COST OF MATERIALS CONSUMED</b>                                                                                                                                                                                                                                                                                                                     |                                      |                                                         |
| Raw materials at the beginning of the year                                                                                                                                                                                                                                                                                                               | 3013.92                              | 2,266.69                                                |
| Add: Purchases                                                                                                                                                                                                                                                                                                                                           | 18882.16                             | 15,799.48                                               |
| Less: Stock at close                                                                                                                                                                                                                                                                                                                                     | 2855.53                              | 3,013.92                                                |
| <b>COST OF MATERIALS CONSUMED</b>                                                                                                                                                                                                                                                                                                                        | <b>19,040.55</b>                     | <b>15,052.25</b>                                        |
| <b>23 PURCHASE OF TRADED GOODS</b>                                                                                                                                                                                                                                                                                                                       |                                      |                                                         |
| Add: Purchases                                                                                                                                                                                                                                                                                                                                           | -                                    | -                                                       |
| Add: Import duty                                                                                                                                                                                                                                                                                                                                         | 0.70                                 | -                                                       |
| Add: Clearing Charges                                                                                                                                                                                                                                                                                                                                    | 16.97                                | -                                                       |
|                                                                                                                                                                                                                                                                                                                                                          | <b>17.67</b>                         | <b>-</b>                                                |
| <b>24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>                                                                                                                                                                                                                                                                                  |                                      |                                                         |
| <b>Inventories at the beginning of the year</b>                                                                                                                                                                                                                                                                                                          |                                      |                                                         |
| Finished Goods                                                                                                                                                                                                                                                                                                                                           | 3639.95                              | 3,668.22                                                |
| Work in Process                                                                                                                                                                                                                                                                                                                                          | 896.05                               | 854.06                                                  |
|                                                                                                                                                                                                                                                                                                                                                          | <b>4,536.00</b>                      | <b>4,522.28</b>                                         |
| <b>Inventories at the end of the year</b>                                                                                                                                                                                                                                                                                                                |                                      |                                                         |
| Finished Goods                                                                                                                                                                                                                                                                                                                                           | 6084.64                              | 3,639.95                                                |
| Work in Process                                                                                                                                                                                                                                                                                                                                          | 1359.03                              | 896.05                                                  |
|                                                                                                                                                                                                                                                                                                                                                          | <b>7,443.67</b>                      | <b>4,536.00</b>                                         |
|                                                                                                                                                                                                                                                                                                                                                          | <b>(2,907.67)</b>                    | <b>(13.72)</b>                                          |
| Currency translation adjustment                                                                                                                                                                                                                                                                                                                          | 22.95                                | -                                                       |
| <b>Changes In Inventories</b>                                                                                                                                                                                                                                                                                                                            | <b>(2,884.72)</b>                    | <b>(13.72)</b>                                          |
| <b>25 EMPLOYEE BENEFITS EXPENSE</b>                                                                                                                                                                                                                                                                                                                      |                                      |                                                         |
| Salaries and Wages                                                                                                                                                                                                                                                                                                                                       | 4062.06                              | 3,541.84                                                |
| Contribution to Provident Fund & Other Funds                                                                                                                                                                                                                                                                                                             | 205.98                               | 194.66                                                  |
| Employees Welfare Expenses                                                                                                                                                                                                                                                                                                                               | 125.14                               | 95.25                                                   |
|                                                                                                                                                                                                                                                                                                                                                          | <b>4,393.18</b>                      | <b>3,831.75</b>                                         |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
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₹ in Lakhs

| <b>PARTICULARS</b>                                      | <b>Year ended<br/>March 31, 2026</b> | <b>Year ended<br/>March 31, 2025<br/>(Refer No. 48)</b> |
|---------------------------------------------------------|--------------------------------------|---------------------------------------------------------|
| <b>26 FINANCE COSTS</b>                                 |                                      |                                                         |
| Interest on borrowings                                  | 192.46                               | 46.77                                                   |
| Interest to others                                      | 104.65                               | 71.40                                                   |
| Interest Expenses on lease liability                    | 0.11                                 | 0.05                                                    |
| Interest on Income tax payment                          | -                                    | 5.41                                                    |
|                                                         | <b>297.22</b>                        | <b>123.63</b>                                           |
| <b>27 DEPRECIATION AND AMORTISATION EXPENSE</b>         |                                      |                                                         |
| Depreciation of Property, Plant and Equipment (Note 3A) | 461.73                               | 443.53                                                  |
| Amortisation of Right of use Assets (Note 3C)           | 7.72                                 | 7.28                                                    |
|                                                         | <b>469.45</b>                        | <b>450.81</b>                                           |
| <b>28 OTHER EXPENSES</b>                                |                                      |                                                         |
| Manufacturing Expenses                                  |                                      |                                                         |
| Packing Material                                        | 394.90                               | 337.01                                                  |
| Stores & Spares                                         | 1175.90                              | 1,197.83                                                |
| Power and fuel                                          | 3034.84                              | 2,857.95                                                |
| Job charges                                             | 303.63                               | 164.64                                                  |
| Repairs & Maintenance :                                 |                                      |                                                         |
| Plant and Equipment                                     | 166.46                               | 154.90                                                  |
| Building                                                | 105.12                               | 184.27                                                  |
| Others                                                  | 22.81                                | 21.16                                                   |
|                                                         | <b>5,203.66</b>                      | <b>4,917.76</b>                                         |
| Administrative and Selling Expenses                     |                                      |                                                         |
| Rent                                                    | 45.14                                | 40.95                                                   |
| Insurance                                               | 20.18                                | 20.16                                                   |
| Rates and Taxes                                         | 22.50                                | 21.14                                                   |
| Travelling and Conveyance                               | 181.54                               | 207.38                                                  |
| Legal and Professional expenses                         | 119.78                               | 87.76                                                   |
| Bank Charges                                            | 47.95                                | 33.88                                                   |
| Directors Fees                                          | 0.73                                 | 0.66                                                    |
| Share listing fees & Demat Charges                      | 10.63                                | 10.67                                                   |
| F & O Business Expenses                                 | 145.90                               | 167.73                                                  |
| Payment to Auditors                                     |                                      |                                                         |
| For Audit Fee                                           | 3.50                                 | 2.50                                                    |
| For Tax Audit Fee                                       | 0.75                                 | 0.75                                                    |
| For Expenses                                            | 1.15                                 | 1.05                                                    |
| For Certification                                       | 1.60                                 | 1.20                                                    |
| Corporate social responsibility Expenses                | 65.00                                | 105.00                                                  |
| Donation                                                | 109.04                               | 111.32                                                  |
| Investments Written Off                                 | -                                    | 0.34                                                    |
| Miscellaneous expenses                                  | 146.06                               | 155.86                                                  |
| Commission and Brokerage                                | 288.20                               | 237.51                                                  |
| Carriage outward (net)                                  | 772.85                               | 813.87                                                  |
| Rebate, Claims and Discounts                            | 23.61                                | -                                                       |
| Others Selling expenses*                                | 239.22                               | 115.32                                                  |
| Fair value gain on investment**                         | 87.14                                | -                                                       |
| Bad Debts                                               | 8.77                                 | -                                                       |
| Provision for Doubtful debts                            | 1.03                                 | 15.94                                                   |
|                                                         | <b>2,342.27</b>                      | <b>2,150.99</b>                                         |
|                                                         | <b>7,545.93</b>                      | <b>7,068.75</b>                                         |
| <b>29 EXCEPTIONAL ITEMS</b>                             |                                      |                                                         |
| Income                                                  | -                                    | -                                                       |
| Expense                                                 | -                                    | -                                                       |
|                                                         | <b>-</b>                             | <b>-</b>                                                |

\* includes prior period expense of Rs.121.30 Lakhs

\*\* in FY 2024-25, there was fair value gain on investment disclosed in Note No. 21

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
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₹ in Lakhs

| PARTICULARS                                            | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025<br>(Refer No. 48) |
|--------------------------------------------------------|------------------------------|------------------------------------------------|
| <b>30 INCOME TAXES</b>                                 |                              |                                                |
| <b>a) Tax Expenses</b>                                 |                              |                                                |
| Current tax                                            |                              |                                                |
| Current tax Charge                                     | 536.68                       | 118.80                                         |
| Adjustment in respect of current tax for earlier years | 8.31                         | 19.67                                          |
|                                                        | <b>544.99</b>                | <b>138.47</b>                                  |
| Deferred Tax*                                          | -                            | -                                              |
| <b>Income tax expense for the year</b>                 | <b>544.99</b>                | <b>138.47</b>                                  |

**b) Deferred tax movement**

31st March, 2026

| Particulars                                  | Net Balance<br>as at 1st<br>April 2025 | Not Recognised<br>in Statement<br>of profit and loss | Not<br>Recognised<br>in OCI | Net Deferred<br>tax assets/<br>(liabilities) |
|----------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|----------------------------------------------|
| <b>Deferred tax assets</b>                   |                                        |                                                      |                             |                                              |
| Unabsorbed depreciation/ business loss       | -                                      | 3.84                                                 | -                           | 3.84                                         |
| Other expenses allowable on payment basis    | 172.78                                 | 7.81                                                 | -                           | 180.59                                       |
| Provision for gratuity                       | 97.14                                  | 12.66                                                | (14.37)                     | 95.43                                        |
| Derivative Financial Asset                   | (0.28)                                 | -                                                    | 0.28                        | -                                            |
| <b>Deferred tax liabilities</b>              |                                        |                                                      |                             |                                              |
| Temporary difference of depreciable assets   | (101.08)                               | (17.77)                                              | -                           | (118.85)                                     |
| <b>Net Deferred tax assets/(liabilities)</b> | <b>168.56</b>                          | <b>6.54</b>                                          | <b>(14.09)</b>              | <b>161.01</b>                                |

\*The Net Deferred Tax Assets has not been recognized in the Consolidated financial statement as it is not probable that future taxable profits will be available against which deferred tax assets can be utilised. Accordingly deferred tax credit/(charge) for the year not recognised in the statement of Profit and Loss.

31st March, 2025

| Particulars                                  | Net Balance<br>as at 1st<br>April 2024 | Not Recognised<br>in Statement<br>of profit and loss | Not<br>Recognised<br>in OCI | Net Deferred<br>tax assets/<br>(liabilities) |
|----------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|----------------------------------------------|
| <b>Deferred tax assets</b>                   |                                        |                                                      |                             |                                              |
| Unabsorbed depreciation/ business loss       | -                                      | -                                                    | -                           | -                                            |
| Other expenses allowable on payment basis    | 172.67                                 | 0.11                                                 | -                           | 172.78                                       |
| Provision for gratuity                       | 85.63                                  | 16.52                                                | (5.01)                      | 97.14                                        |
| Derivative Financial Asset                   | -                                      | -                                                    | (0.28)                      | (0.28)                                       |
| <b>Deferred tax liabilities</b>              |                                        |                                                      |                             |                                              |
| Temporary difference of depreciable assets   | (100.05)                               | (1.03)                                               | -                           | (101.08)                                     |
| <b>Net Deferred tax assets/(liabilities)</b> | <b>158.25</b>                          | <b>15.60</b>                                         | <b>(5.29)</b>               | <b>168.56</b>                                |

\*The Net Deferred Tax Assets has not been recognized in the consolidated financial statement as it is not probable that future taxable profits will be available against which deferred tax assets can be utilised. Accordingly deferred tax credit/( charge) for the year not recognised in the statement of Profit and Loss.

**c) A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate for the year indicated are as follows :**

₹ in Lakhs

| PARTICULARS                                                                  | Year ended<br>March 31, 2026 | Year ended<br>March 31, 2025<br>(Refer No. 48) |
|------------------------------------------------------------------------------|------------------------------|------------------------------------------------|
| Profit before taxes                                                          | 1,763.86                     | 475.40                                         |
| Enacted tax rate in India                                                    | 25.17%                       | 25.17%                                         |
| Income tax at statutory tax rate                                             | 443.93                       | 119.65                                         |
| <b>Income tax effect of :</b>                                                |                              |                                                |
| Effect of different tax rates applicable to foreign subsidiary               | 1.25                         | -                                              |
| Tax effect of elimination of unrealised intra-group profits                  | 16.23                        | -                                              |
| Effect of non deductible expenses                                            | 87.49                        | 1.67                                           |
| Others                                                                       | 7.31                         | (18.12)                                        |
| Current tax for earlier year                                                 | 8.31                         | 19.67                                          |
| Effect of Income which is taxed at special rates                             | (26.07)                      | -                                              |
| Deferred Tax credit/ (Charge) not recognised in statement of Profit and Loss | 6.54                         | 15.60                                          |
| <b>Total tax</b>                                                             | <b>544.99</b>                | <b>138.47</b>                                  |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**  
**CIN NO. L17115RJ1980PLC002075**

₹ in Lakhs

| PARTICULARS                                                                                                     | Year ended<br>March 31, 2026           | Year ended<br>March 31, 2025<br>(Refer No. 48)      |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------|
| <b>31 EARNINGS PER SHARE (EPS)</b>                                                                              |                                        |                                                     |
| Profit after exceptional items and tax                                                                          | 1,218.87                               | 336.93                                              |
| Weighted Avg. No. of Equity Shares outstanding during the year for Basic and diluted                            | 34775160                               | 34775160                                            |
| Earning Per Share                                                                                               |                                        |                                                     |
| Nominal Value of Shares (in Rs.)                                                                                | 10.00                                  | 10.00                                               |
| Basic Earning per Share (in Rs.)                                                                                | 3.51                                   | 0.97                                                |
| Diluted earning per share (in Rs.)                                                                              | 3.51                                   | 0.97                                                |
| <b>32 CONTINGENT LIABILITIES AND COMMITMENTS</b>                                                                |                                        |                                                     |
| <b>(A) CONTINGENT LIABILITIES</b>                                                                               |                                        |                                                     |
| i. Bank Guarantees                                                                                              | 355.44                                 | 45.11                                               |
| (amount paid their against by way of FDR Rs. 373.94 lakhs, Previous year Rs. 58.98 lakhs)                       |                                        |                                                     |
| ii. Disputed Income Tax Demand                                                                                  | 112.24                                 | 11.71                                               |
| (amount paid Rs. 11.71 lakhs, Previous year Rs. 11.71 lakhs)                                                    |                                        |                                                     |
| iii. Other disputed demands by Government departments                                                           | 120.70                                 | 111.93                                              |
| (amount paid Rs. 24.42 lakhs, Previous year Rs. 22.99 lakhs)                                                    |                                        |                                                     |
| iv. Disputed liabilities and claim not acknowledged as debts                                                    | 53.07                                  | 48.58                                               |
| <b>(B) COMMITMENT</b>                                                                                           |                                        |                                                     |
| (a) Estimated amount of Contracts remaining to be executed on capital account and not provided for.             | 176.73                                 | 463.58                                              |
| (b) Advance paid their against                                                                                  | 106.40                                 | 118.17                                              |
| <b>33 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES</b>                                        |                                        |                                                     |
| <b>a) Gross amount required to be spent as per section 135 of the act</b>                                       | 36.66                                  | 38.69                                               |
| <b>b) Amount spent during the year</b>                                                                          |                                        |                                                     |
| i) Construction/acquisition of any assets                                                                       | -                                      | -                                                   |
| ii) On projects other than (i) above                                                                            | 65.00                                  | 105.00                                              |
| <b>c) Excess amount spent under Section 135(5)</b>                                                              |                                        |                                                     |
| Brought forwarded excess/ (short) balance at beginning of the year                                              | 102.90                                 | 36.59                                               |
| Amount required to be spent during the year                                                                     | 36.66                                  | 38.69                                               |
| Actual amount spent/ incurred during the year                                                                   | 65.00                                  | 105.00                                              |
| Carried forward excess/(short) balance at end of the year                                                       | 131.24                                 | 102.90                                              |
| <b>d) Reason for shortfalls</b>                                                                                 | -                                      | -                                                   |
| <b>e) Nature Of CSR Activity</b>                                                                                | Animal welfare and promoting education | Animal welfare, promoting health care and education |
| <b>f) Details of Related party transactions :</b>                                                               |                                        |                                                     |
| H.M. Ranka Foundation (CMD is trustee)                                                                          | 25.00                                  | 25.00                                               |
| S.L. Ranka Foundation (CMD is trustee)                                                                          | -                                      | 18.00                                               |
| Acharya Shri Nanesh Samta Vikas Trust (CMD is trustee)                                                          | 40.00                                  | 62.00                                               |
| <b>g) Where provision is made with respect to a liability incurred by entering into contractual obligations</b> |                                        |                                                     |
| The movement in Provision during the year                                                                       | NIL                                    | NIL                                                 |

**34 LEASES**

The Holding Company's leased asset primarily consist of leases for land

Changes in the carrying value of Right of use assets are:

₹ in Lakhs

| Particulars                         | Lease Hold Land |
|-------------------------------------|-----------------|
| <b>Balance as at April 1, 2024</b>  | <b>392.79</b>   |
| Additions                           | 51.86           |
| Disposals/Adjustments               | -               |
| Amortisation ( Refer Note 3C)       | 7.28            |
| <b>Balance as at March 31, 2025</b> | <b>437.37</b>   |
| Additions                           | 4.52            |
| Disposals/Adjustments               | -               |
| Amortisation ( Refer Note 3C)       | 7.72            |
| <b>Balance as at March 31, 2026</b> | <b>434.17</b>   |

The amortisation of ROU assets is included under depreciation and amortization expense in the Consolidated statement of Profit and Loss.

## Notes to the Consolidated Financial statements for the year ended 31st March, 2026

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## Movement in lease liabilities:

₹ in Lakhs

| Particulars                      | As at 31st<br>March, 2026 | As at 31st<br>March, 2025 |
|----------------------------------|---------------------------|---------------------------|
| Opening Balance                  | 1.13                      | 0.56                      |
| Additions                        | –                         | 0.54                      |
| Interest accrued during the year | 0.11                      | 0.05                      |
| Payment of lease liabilities     | 0.03                      | 0.02                      |
| Closing Balance                  | <b>1.21</b>               | <b>1.13</b>               |

## Break-up of current and non-current lease liabilities :

|                                  |             |             |
|----------------------------------|-------------|-------------|
| - Current lease liabilities      | 0.21        | 0.10        |
| - Non- Current lease liabilities | 1.00        | 1.03        |
| <b>Total</b>                     | <b>1.21</b> | <b>1.13</b> |

## Breakup of contractual maturities of lease liabilities on an undiscounted basis:

|                                             |      |      |
|---------------------------------------------|------|------|
| Within one year                             | 0.23 | 0.10 |
| Later than one year but not later than five | 0.38 | 0.38 |
| Later than five years                       | 9.32 | 9.41 |

## Amount recognised in Statement of Profit and Loss

₹ in Lakhs

| Particulars                            | Year ended<br>March, 31, 2026 | Year ended<br>March, 31, 2025 |
|----------------------------------------|-------------------------------|-------------------------------|
| Depreciation of right of use assets    | 7.72                          | 7.28                          |
| Interest Expenses on lease liabilities | 0.11                          | 0.05                          |
| Expenses relating to short term lease  | 45.14                         | 40.95                         |

## 35 EMPLOYEE BENEFITS

## i) Defined Contributions

The company makes contributions towards provident fund to a defined contribution retirement benefit plan. It is recognised as an expense and included in employee benefit expense.

| Particulars                                          | As at 31st<br>March, 2026 | As at 31st<br>March, 2025 |
|------------------------------------------------------|---------------------------|---------------------------|
| Employer's Contribution to government Provident Fund | 136.22                    | 128.04                    |

## ii) Defined benefits

## a) Gratuity

In accordance with the provisions of payment of Gratuity Act, 1972 the company has a defined benefits plan which provides for gratuity payments. Every employee who has completed continuous service of 5 years or more gets a gratuity on retirement/termination at 15 days salary (last drawn) for each completed year of service. Liabilities in respect of gratuity plan are determined by an actuarial valuation. Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employees benefits obligation as at balance sheet date.

## Change in present value of the defined benefit obligation :

₹ in Lakhs

| Particulars                                                  | 2025-26       | 2024-25       |
|--------------------------------------------------------------|---------------|---------------|
| Present Value of obligation as at the beginning of the year  | 385.97        | 340.22        |
| Current service cost                                         | 68.62         | 74.06         |
| Interest cost                                                | 26.98         | 24.57         |
| Past Service Cost                                            | –             | –             |
| Actuarial (gain)/loss                                        | (57.08)       | (19.90)       |
| Benefit paid                                                 | (45.31)       | (32.98)       |
| <b>Present value of obligation as at the end of the year</b> | <b>379.18</b> | <b>385.97</b> |

## Amount recognized in the balance sheet:

₹ in Lakhs

| Particulars                                 | 2025-26       | 2024-25       |
|---------------------------------------------|---------------|---------------|
| Present value of defined benefit obligation | 379.18        | 385.97        |
| Fair value of plan assets                   | –             | –             |
| Net liability                               | 379.18        | 385.97        |
| Amounts shown in the balance sheet          |               |               |
| Current Provisions                          | 93.73         | 75.56         |
| Non-current Provisions                      | 285.45        | 310.41        |
| <b>Net liability</b>                        | <b>379.18</b> | <b>385.97</b> |

## Amount recognized in Profit and Loss:

₹ in Lakhs

| Particulars                                        | 2025-26      | 2024-25      |
|----------------------------------------------------|--------------|--------------|
| Current service cost                               | 68.62        | 74.06        |
| Past service cost                                  | –            | –            |
| Interest cost                                      | 26.98        | 24.57        |
| <b>Total amount recognized in Profit and Loss:</b> | <b>95.60</b> | <b>98.63</b> |

## Notes to the Consolidated Financial statements for the year ended 31st March, 2026

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**Amount recognized in other comprehensive income:**

₹ in Lakhs

| Particulars                                                                 | 2025-26        | 2024-25        |
|-----------------------------------------------------------------------------|----------------|----------------|
| Actuarial (Gain)/Loss arising from change in demographic assumptions        | —              | —              |
| Actuarial (Gain)/Loss arising from change in financing assumptions          | (25.93)        | 7.54           |
| Actuarial (Gain)/Loss arising from change in experience adjustment          | (31.15)        | (27.44)        |
| Return on plan assets less interest on plan assets                          | —              | —              |
| <b>Total Actuarial (Gain)/Loss recognised in other comprehensive income</b> | <b>(57.08)</b> | <b>(19.90)</b> |

**Change in the present value of defined benefit obligation and the fair value of the plan assets:**

₹ in Lakhs

| Particulars                                                 | 2025-26         | 2024-25         |
|-------------------------------------------------------------|-----------------|-----------------|
| Present value of obligation at year end                     | 379.18          | 385.97          |
| Fair value of plan assets at year end                       | —               | —               |
| <b>Assets/(Liabilities) recognized in the Balance Sheet</b> | <b>(379.18)</b> | <b>(385.97)</b> |

**Actuarial assumption**

| Particulars                                          | 2025-26                | 2024-25                |
|------------------------------------------------------|------------------------|------------------------|
| Discount rate*                                       | 7.78%                  | 6.99%                  |
| Expected return on plan assets                       | —                      | —                      |
| Employee turnover ratio                              | 6.00%                  | 6.00%                  |
| Salary escalation rate**                             | 7.50%                  | 7.50%                  |
| Mortality rate inclusive of provision for disability | 100% of IALM (2012–14) | 100% of IALM (2012–14) |

\* The discount rate assumption is based on market yield on government bonds at the balance sheet date .

\*\* The estimates of future salary increase considered in actuarial valuation, taking into account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis.

**Sensitivity analysis**

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have effected the defined benefit obligation by the amount shown below.

| Particulars                                       | 2025-26 | 2024-25 |
|---------------------------------------------------|---------|---------|
| <b>a) Impact of the change in discount rate</b>   |         |         |
| Impact due to increase of 0.50%                   | (15.85) | (17.47) |
| Impact due to decrease of 0.50%                   | 17.45   | 19.30   |
| <b>b) Impact of the change in salary increase</b> |         |         |
| Impact due to increase of 0.50%                   | 17.32   | 18.96   |
| Impact due to decrease of 0.50%                   | (15.94) | (17.31) |

**Expected Maturity analysis of the defined benefits plan in future years**

₹ in Lakhs

| Particulars   | 2025-26 | 2024-25 |
|---------------|---------|---------|
| Within 1 year | 93.73   | 75.56   |
| 1–2 year      | 15.01   | 33.82   |
| 2–3 year      | 15.29   | 15.38   |
| 3–4 year      | 31.04   | 15.27   |
| 4–5 year      | 16.78   | 28.18   |
| 5–6 year      | 9.78    | 14.85   |
| over 6 years  | 197.55  | 202.91  |

**Risk exposure**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- Salary Increase- Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations which also increase the liability.
- Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate- Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact liability.

**b Compensated Absences:**

The Holding Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

**36 SEGMENT INFORMATION**

- a. Based on the management approach as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators of business segment/s in which the company operates. The Company is primarily engaged in the business of textile manufacturing which the management and CODM recognise as the sole business segment. Hence, disclosure of segment-wise information is not required and accordingly not provided.

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- b. The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

| Particulars                     | 2025-26          | 2024-25          |
|---------------------------------|------------------|------------------|
| Revenue from external customers | 8846.39          | 8,923.65         |
| In India                        | 20,628.78        | 17,080.83        |
|                                 | <b>29,475.17</b> | <b>26,004.48</b> |

Detail of Country wise Revenue from Major Countries (top 10)

| Particulars    | 2025-26        | 2024-25        |
|----------------|----------------|----------------|
| Italy          | 1737.21        | 2475.30        |
| Germany        | 1266.34        | 1108.90        |
| Japan          | 991.87         | 819.77         |
| Portugal       | 803.43         | 804.82         |
| United Kingdom | 227.34         | 378.55         |
| South Korea    | 659.74         | *              |
| Algeria        | 519.83         | 457.43         |
| Taiwan         | 508.58         | 298.80         |
| Turkey         | 502.62         | 466.44         |
| Spain          | 283.65         | *              |
| Tunisia        | *              | 395.33         |
| Poland         | *              | 393.20         |
| Others         | 1345.78        | 1325.11        |
|                | <b>8846.39</b> | <b>8923.65</b> |

\*Not forming part of Top 10 Countries for exports

**37 RELATED PARTY DISCLOSURE**
**i) Names and Relationship of related parties**

- a) Key Managerial personnel  
 Shri Rajesh Ranka (Chairman and Managing Director)  
 Shri Ram Awatar Kabra (Executive Director) : Resigned w.e.f. 07.01.2026  
 Shri Prabodh Kumar Nahar (Whole-Time Director & CFO) Appointed w.e.f. 07/01/2026  
 Shri Prabodh Kumar Nahar (CFO) upto 06/01/2026  
 Shri Anil Kumar Jain (Company Secretary): Appointed w.e.f 14/11/2024  
 Shri Banwari Lal Saini (Company Secretary) : Resigned w.e.f 06/11/2024
- b) Non Executive Directors/ Independent directors  
 Smt. Veena Jain (Non-executive Non-Independent Director)  
 Shri Jagdish Narayan Sharma (Non-executive Independent Director) : Resigned w.e.f 28/02/2025  
 Shri Mukesh Kumar Soni (Non-executive Independent Director) Appointed w.e.f 14/11/2024  
 Shri Chhitar Mal Jain (Non-executive Independent Director)  
 Smt. Ankita Jain (Non-executive Independent Director)
- c) Enterprises over which KMP have significant influence:  
 Modern Polytex Limited (CMD is CMD in this company)  
 Acharya Shri Nanesh Samta Vikas Trust (CMD is Trustee)  
 H.M. Ranka Foundation (CMD is Trustee)  
 S.L. Ranka Foundation (CMD is Trustee)  
 Invitation Investment Private Limited (Smt Laitha Ranka, Spouse of CMD is Director)

**ii) Transactions with related parties and outstanding at the end of the year:**

Name of related parties and nature of the transactions

| A | Key Managerial Personnel                              | 2025-26                              |                              | 2024-25 (Refer No. 48)               |                              |
|---|-------------------------------------------------------|--------------------------------------|------------------------------|--------------------------------------|------------------------------|
|   |                                                       | Salaries and other employee benefits | Company's Contribution to PF | Salaries and other employee benefits | Company's Contribution to PF |
|   | Shri Rajesh Ranka (CMD)                               | 51.60                                | —                            | 48.00                                | 5.76                         |
|   | Shri Prabodh Kumar Nahar (CFO)                        | 17.86                                | 1.57                         | 21.37                                | 1.91                         |
|   | Shri Prabodh Kumar Nahar (WTD & CFO)                  | 5.02                                 | 0.48                         | —                                    | —                            |
|   | Shri Banwari Lal Saini (CS)-Resigned w.e.f 06/11/2024 | —                                    | —                            | 4.70                                 | 0.36                         |
|   | Shri Ram Awatar Kabra (ED)                            | 17.73                                | 1.87                         | 21.68                                | 1.87                         |
|   | Shri Anil Kumar Jain (CS)-Appointed w.e.f 14/11/2024  | 8.99                                 | 0.83                         | 3.36                                 | 0.29                         |
|   | <b>Total</b>                                          | <b>101.20</b>                        | <b>4.75</b>                  | <b>99.11</b>                         | <b>10.19</b>                 |

Liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole. Accordingly the amount for gratuity and compensated absences pertaining to key management personnel is not ascertainable and, therefore, not included above.

## Notes to the Consolidated Financial statements for the year ended 31st March, 2026

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| Sitting fees paid to Independent Directors | 2025-26 | 2024-25 |
|--------------------------------------------|---------|---------|
| Smt. Veena Jain                            | 0.11    | 0.11    |
| Shri Jagdish Narayan Sharma                | —       | 0.03    |
| Shri Mukesh Soni                           | 0.14    | 0.04    |
| Shri Chhitar Mal Jain                      | 0.24    | 0.24    |
| Smt. Ankita Jain                           | 0.24    | 0.24    |

**B Enterprises in which directors have significant influence:**

|                                                                  | 2025-26 | 2024-25 |
|------------------------------------------------------------------|---------|---------|
| Unsecured Loan Taken Modern Polytex Limited (CMD)                | —       | 600.00  |
| Unsecured Loan Taken Invitation Investment Private Limited       | —       | 255.00  |
| Unsecured Loan Repaid Modern Polytex Limited (CMD)               | 25.00   | —       |
| Purchase of goods & services Modern Polytex Limited (CMD)        | —       | —       |
| Interest on Unsecured Loan Modern Polytex Limited (CMD)          | 40.82   | 20.71   |
| Interest Expenses Modern Polytex Limited (CMD)                   | 104.38  | 69.59   |
| Interest on Unsecured Loan Invitation Investment Private Limited | 17.85   | 13.60   |
| CSR Expenses S.L. Ranka Foundation                               | —       | 18.00   |
| CSR Expenses Acharya Shri Nanesh Samta Vikas Trust               | 40.00   | 62.00   |
| CSR Expenses H.M. Ranka Foundation                               | 25.00   | 25.00   |

**Balance of related parties at the year end**

| PARTICULARS        | Name of Related Parties               | As at<br>31.03.2026 | As at<br>31.03.2025 |
|--------------------|---------------------------------------|---------------------|---------------------|
| Trade Payables     | Modern Polytex Limited                | 3029.95             | 2936.01             |
| Borrowings-current | Modern Polytex Limited                | 575.00              | 600.00              |
| Borrowings-current | Invitation Investment Private Limited | 255.00              | 255.00              |

**Terms and conditions:**

All the transactions with related parties were made on normal commercial terms and conditions and at market rates.

**38 Financial Instruments- Fair Value****i. Financial Instruments by Category**

₹ in Lakhs

| As at March 31, 2026                      | Carrying Amount |                 |                 |                      | Fair Value      |               |         |
|-------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|---------------|---------|
|                                           | FVTOCI          | FVTPL           | Amortised Cost  | Total Carrying Value | Level 1         | Level 2       | Level 3 |
| <b>Financial assets</b>                   |                 |                 |                 |                      |                 |               |         |
| <b>Non current Financial assets</b>       |                 |                 |                 |                      |                 |               |         |
| Investment in National Saving Certificate | -               | -               | 0.48            | 0.48                 | -               | -             | -       |
| Other financial assets                    | -               | -               | 1,019.44        | 1,019.44             | -               | -             | -       |
| <b>Current Financial assets</b>           |                 |                 |                 |                      |                 |               |         |
| Investments                               |                 |                 |                 |                      |                 |               |         |
| -Mutual Funds                             | -               | 1,889.52        | -               | 1,889.52             | 1,889.52        | -             | -       |
| -Debentures                               | -               | 110.00          | -               | 110.00               | -               | 110.00        | -       |
| Other financial assets                    | -               | -               | 51.74           | 51.74                | -               | -             | -       |
| Trade receivables                         | -               | -               | 4,054.76        | 4,054.76             | -               | -             | -       |
| Cash and cash equivalents                 | -               | -               | 479.83          | 479.83               | -               | -             | -       |
| Other Bank Balances                       | -               | -               | 11.59           | 11.59                | -               | -             | -       |
| <b>Total</b>                              | -               | <b>1,999.52</b> | <b>5,617.84</b> | <b>7,617.36</b>      | <b>1,889.52</b> | <b>110.00</b> | -       |
| <b>Financial liabilities</b>              |                 |                 |                 |                      |                 |               |         |
| <b>Non current Financial liabilities</b>  |                 |                 |                 |                      |                 |               |         |
| Lease Liabilities                         | -               | -               | 1.00            | 1.00                 | -               | -             | -       |
| <b>Current Financial liabilities</b>      |                 |                 |                 |                      |                 |               |         |
| Borrowings                                | -               | -               | 3,264.85        | 3,264.85             | -               | -             | -       |
| Lease Liabilities                         | -               | -               | 0.21            | 0.21                 | -               | -             | -       |
| Other financial liabilities               | -               | -               | 2,576.12        | 2,576.12             | -               | -             | -       |
| Trade payables                            | -               | -               | 3,786.97        | 3,786.97             | -               | -             | -       |
| <b>Total</b>                              | -               | -               | <b>9,629.15</b> | <b>9,629.15</b>      | -               | -             | -       |

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₹ in Lakhs

| As at March 31, 2025                      | Carrying Amount |                 |                 |                      | Fair Value      |               |          |
|-------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|---------------|----------|
|                                           | FVTOCI          | FVTPL           | Amortised Cost  | Total Carrying Value | Level 1         | Level 2       | Level 3  |
| <b>Financial assets</b>                   |                 |                 |                 |                      |                 |               |          |
| <b>Non current Financial assets</b>       |                 |                 |                 |                      |                 |               |          |
| Investment in National Saving Certificate | -               | -               | 0.48            | 0.48                 | -               | -             | -        |
| Other financial assets                    |                 |                 | 681.69          | 681.69               | -               | -             | -        |
| <b>Current Financial assets</b>           |                 |                 |                 |                      |                 |               |          |
| Investments                               |                 |                 |                 |                      |                 |               |          |
| -Mutual Funds                             | -               | 2,722.96        | -               | 2,722.96             | 2722.96         | -             | -        |
| -Debentures                               | -               | 110.00          | -               | 110.00               | -               | 110.00        | -        |
| Other financial assets                    | 1.10            | -               | 54.33           | 55.43                | -               | 1.10          | -        |
| Trade receivables                         | -               | -               | 4,686.98        | 4,686.98             | -               | -             | -        |
| Cash and cash equivalents                 | -               | -               | 86.71           | 86.71                | -               | -             | -        |
| Other Bank Balances                       | -               | -               | 94.66           | 94.66                | -               | -             | -        |
| <b>Total</b>                              | <b>1.10</b>     | <b>2,832.96</b> | <b>5,604.85</b> | <b>8,438.91</b>      | <b>2,722.96</b> | <b>111.10</b> | <b>-</b> |
| <b>Financial liabilities</b>              |                 |                 |                 |                      |                 |               |          |
| <b>Non current Financial liabilities</b>  |                 |                 |                 |                      |                 |               |          |
| Lease Liabilities                         |                 |                 | 1.03            | 1.03                 | -               | -             | -        |
| <b>Current Financial liabilities</b>      |                 |                 |                 |                      |                 |               |          |
| Borrowings                                | -               | -               | 2,103.47        | 2,103.47             | -               | -             | -        |
| Lease Liabilities                         | -               | -               | 0.10            | 0.10                 | -               | -             | -        |
| Other financial liabilities               | -               | -               | 2,514.04        | 2,514.04             | -               | -             | -        |
| Trade payables                            | -               | -               | 3,523.04        | 3,523.04             | -               | -             | -        |
| <b>Total</b>                              | <b>-</b>        | <b>-</b>        | <b>8,141.68</b> | <b>8,141.68</b>      | <b>-</b>        | <b>-</b>      | <b>-</b> |

**Financial Instruments measured at amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Consolidated Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Fair Value Hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are whether observable or unobservable and consists of the following three levels:

Level 1: The fair value of financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: Inputs which are not based on observable market data, the instrument is included in level 3.

**39 Capital and Financial Risk Management**

**A Capital Management**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The Company's adjusted net debt to equity ratio is as follows.

| Particulars                     | ₹ in Lakhs       |                          |
|---------------------------------|------------------|--------------------------|
|                                 | 2025-26          | 2024-25<br>(Refer No.48) |
| Non - Current Borrowings        | -                | -                        |
| Current Borrowings              | 3,264.85         | 2,103.47                 |
| <b>Gross Debt</b>               | <b>3,264.85</b>  | <b>2,103.47</b>          |
| Less : Cash and cash equivalent | 420.30           | 86.71                    |
| Less : Other Bank Deposits      | 11.59            | 83.81                    |
| <b>Adjusted net debt</b>        | <b>2,832.96</b>  | <b>1,932.95</b>          |
| <b>Total Equity</b>             | <b>14,631.65</b> | <b>13,272.07</b>         |
| Adjusted Net Debt Equity Ratio  | 0.19             | 0.15                     |

There have been no financial breaches in the financial covenants of any borrowings during the year ended 31st March 2026.

**B Financial Risk Management**

The Company's activities are exposed credit risk, liquidity risk and market risk (including foreign currency risk, interest rate risk and commodity price risk)

**i Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has put in place a structured governance mechanism whereby executive management is responsible for identifying, evaluating, and managing risks within the parameters approved by the Board.

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The Company's risk management policies are designed to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to those limits on an ongoing basis. Risk management policies and systems are reviewed by the Board at least annually to reflect changes in market conditions and the Company's activities.

The Company, through its training programmes, management standards, and operating procedures, aims to develop and maintain a disciplined and constructive control environment in which all employees understand their roles and obligations in relation to risk management.

**ii Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk mainly from its operating activities (primarily trade receivables) and investing activities including deposits placed with banks, mutual funds and other financial assets. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

**Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors. Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis.

The movement in the allowance for expected credit loss on customer balances for the year ended 31st March, 2026 and 31st March 2025 is as follows:

| PARTICULARS                                     | ₹ in Lakhs             |                                          |
|-------------------------------------------------|------------------------|------------------------------------------|
|                                                 | As at 31st March, 2026 | As at 31st March, 2025<br>(Refer No. 48) |
| Opening Balance                                 | 38.35                  | 22.41                                    |
| Allowances made                                 | 17.63                  | 16.81                                    |
| Less : Reversal of Provision for doubtful Debts | 16.60                  | 0.87                                     |
| <b>Balance at year end</b>                      | <b>39.38</b>           | <b>38.35</b>                             |

**Deposits with Bank and investments:**

The credit risk of fixed deposits with banks and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings and the company is in the process of constantly evaluating the risks associated with the investment .

**Other financial assets**

Other financial assets mainly comprises of security deposits which are given to customers or other governmental agencies, are assessed by the Company for credit risk on a continuous basis.

**ii) Liquidity Risk**

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements.

| As at 31st March 2026               |                 | ₹ in Lakhs             |             |                   |                 |
|-------------------------------------|-----------------|------------------------|-------------|-------------------|-----------------|
| Particulars                         | Carrying amount | Contractual cash flows |             |                   |                 |
|                                     |                 | Within 1 year          | 1-5 years   | More than 5 years | Total           |
| <b>Financial Liabilities</b>        |                 |                        |             |                   |                 |
| Borrowings-current                  | 3,264.85        | 3,264.85               | -           | -                 | 3264.85         |
| Lease Liabilities (undiscounted)    | 1.21            | 0.23                   | 0.38        | 9.32              | 9.93            |
| Trade Payables                      | 3,786.97        | 3,786.97               | -           | -                 | 3786.97         |
| Other Financial Liabilities-current | 2,576.12        | 2,576.12               | -           | -                 | 2576.12         |
| <b>Total</b>                        | <b>9,629.15</b> | <b>9,628.17</b>        | <b>0.38</b> | <b>9.32</b>       | <b>9,637.87</b> |

| As at 31st March 2025 (Refer No. 48) |                 | ₹ in Lakhs             |                   |                   |                 |
|--------------------------------------|-----------------|------------------------|-------------------|-------------------|-----------------|
| Particulars                          | Carrying amount | Contractual cash flows |                   |                   |                 |
|                                      |                 | Within 1 year          | More than 5 years | More than 5 years | Total           |
| <b>Financial Liabilities</b>         |                 |                        |                   |                   |                 |
| Borrowings-current                   | 2,103.47        | 2,103.47               | -                 | -                 | 2103.47         |
| Lease Liabilities (undiscounted)     | 1.13            | 0.10                   | 0.38              | 9.41              | 9.89            |
| Trade Payables                       | 3,523.04        | 3,523.04               | -                 | -                 | 3523.04         |
| Other Financial Liabilities-current  | 2,514.04        | 2,514.04               | -                 | -                 | 2514.04         |
| <b>Total</b>                         | <b>8,141.68</b> | <b>8,140.65</b>        | <b>0.38</b>       | <b>9.41</b>       | <b>8,150.44</b> |

**iii) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**a. Foreign currency risk**

The Company operates across various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Company's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities.

Currency risks related to the principal amounts of the Company's foreign currency receivable and payables have not been hedged using forward contracts. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level.

**The company exposure to foreign currency risk at the end of the reporting period expressed in Rs in lakhs are as follows:**

**As at 31st March, 2026**
**₹ in Lakhs**

| Particulars                                  | USD           | EURO            | GBP          | JPY         | Total           |
|----------------------------------------------|---------------|-----------------|--------------|-------------|-----------------|
| Trade Receivable                             | 882.34        | 1,666.60        | 80.78        | -           | 2,629.72        |
| Advance to Suppliers                         | 55.92         | 29.28           | -            | 5.56        | 90.76           |
| Trade Payable                                | -             | 3.69            | 0.29         | -           | 3.92            |
| Advance from Customers                       | 26.41         | 0.40            | -            | -           | 26.81           |
| <b>Net exposure to foreign currency risk</b> | <b>911.85</b> | <b>1,691.79</b> | <b>80.55</b> | <b>5.56</b> | <b>2,689.75</b> |

**As at 31st March, 2025 (Refer No. 48)**

| Particulars                                  | USD           | EURO            | GBP           | JPY      | Total           |
|----------------------------------------------|---------------|-----------------|---------------|----------|-----------------|
| Trade Receivable                             | 874.56        | 1,949.84        | 301.59        | -        | 3,125.99        |
| Advance to Suppliers                         | 19.31         | 138.86          | 0.61          | -        | 158.78          |
| Trade Payable                                | -             | -               | -             | -        | -               |
| Advance from Customers                       | 77.36         | 0.83            | 0.52          | -        | 78.71           |
| <b>Net exposure to foreign currency risk</b> | <b>816.51</b> | <b>2,087.87</b> | <b>301.68</b> | <b>-</b> | <b>3,206.06</b> |

**Foreign currency sensitivity**

1% increase or decrease in foreign exchange rate will have the following impact on profit before tax:

| Particulars                                     | 2025-26      |                | 2024-25      |                |
|-------------------------------------------------|--------------|----------------|--------------|----------------|
|                                                 | 1% increase  | 1% Decrease    | 1% increase  | 1% Decrease    |
| USD                                             | 9.12         | (9.12)         | 8.17         | (8.17)         |
| EURO                                            | 16.92        | (16.92)        | 20.88        | (20.88)        |
| GBP                                             | 0.81         | (0.81)         | 3.02         | (3.02)         |
| JPY                                             | 0.06         | (0.06)         | -            | -              |
| <b>Net increase(decrease) in Profit or loss</b> | <b>26.91</b> | <b>(26.91)</b> | <b>32.07</b> | <b>(32.07)</b> |

The following table gives details in respect of outstanding foreign currency forward contracts:

**As at 31st March, 2026**

| Category                                          | Instrument       | Currency Pair | FCY Amount<br>(in lakhs) | Equivalent Amount<br>(Rs. in lakhs) | Fair Value Amount<br>(Rs. in lakhs) |
|---------------------------------------------------|------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| Hedges of highly probable forecasted transactions | Forward contract | USD/INR       | -                        | -                                   | -                                   |
| Hedges of highly probable forecasted transactions | Forward contract | GBP/INR       | -                        | -                                   | -                                   |

**As at 31st March, 2025 (Refer No. 48)**

| Category                                          | Instrument       | Currency Pair | FCY Amount<br>(in lakhs) | Equivalent Amount<br>(Rs. in lakhs) | Fair Value Amount<br>(Rs. in lakhs) |
|---------------------------------------------------|------------------|---------------|--------------------------|-------------------------------------|-------------------------------------|
| Hedges of highly probable forecasted transactions | Forward contract | USD/INR       | 1.51                     | 132.67                              | 2.72                                |
| Hedges of highly probable forecasted transactions | Forward contract | GBP/INR       | 0.62                     | 67.07                               | (1.62)                              |

**b. 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 main exposure to interest risk arises from borrowings with floating rate.

**₹ in Lakhs**

| Particulars                                    | March 31, 2026 | March 31, 2025 |
|------------------------------------------------|----------------|----------------|
| <b>Financial liabilities</b>                   |                |                |
| Current borrowings with floating interest rate | 2235.56        | 1094.81        |
|                                                | <b>2235.56</b> | <b>1094.81</b> |

**Sensitivity analysis:**

A change in 50 basis point in interest rate of borrowings at the reporting date would have increase/(decrease)

Profit or Loss by the amount shown below. This analysis assumes that all other variables, remain constant.

| Particulars                               | 2025-26        |                | 2024-25        |                |
|-------------------------------------------|----------------|----------------|----------------|----------------|
|                                           | 0.5 % Increase | 0.5 % Decrease | 0.5 % Increase | 0.5 % Decrease |
| Net increase/(decrease) in Profit or loss | 11.18          | 11.18          | (5.47)         | (5.47)         |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**

Fixed rate borrowings are not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates. The Company's main exposure to interest risk arises from borrowings with Fixed rate.

**₹ in Lakhs**

| Particulars                                 | March 31, 2026  | March 31, 2025  |
|---------------------------------------------|-----------------|-----------------|
| <b>Financial liabilities</b>                |                 |                 |
| Current borrowings with fixed Interest rate | 1029.29         | 1008.66         |
|                                             | <b>1,029.29</b> | <b>1,008.66</b> |

**c. Commodity Risk**

Commodity risk is defined as the possibility of financial loss as a result of fluctuation in price of Raw Material/Finished Goods and change in demand of the product and market in which the company operates. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company forecast annual business plan and execute on monthly business plan. Raw material procurement is aligned to its monthly/annual business plan and inventory position is monitored in accordance with future price trend.

**40 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY**
**As on 31.03.2026**

| Relevant Line Item in the Balance Sheet | Description of Item of Property                                                                                        | Gross Carrying Value (Rs. in Lakhs) | Title Deeds held in name of    | Whether title deed holder is a promotor, director or relative of promotor/director or employee of promotor/director | Property held since which date | Reason for not being held in the name of the company                                                                                                                                                                                                                      |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Right to Use Assets                     | Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara                         | 92.25                               | Sunil Textiles Mills Pvt. Ltd. | No                                                                                                                  | 21.10.1994                     | Sunil Textile Mill Pvt Ltd. Has been amalgamated with Modern Threads India Ltd. Vide the order of High Court Dt. 21.10.1994                                                                                                                                               |
| Right to Use Assets                     | Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara                                                 | 125.00                              | Modern Woollens Pvt. Ltd.      | No                                                                                                                  | 21.10.1994                     | Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                        |
| Right to Use Assets                     | Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara                                                        | 7.50                                | Modern Woollen Mill (Firm)     | No                                                                                                                  | 21.10.1994                     | Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994 |
| Right to Use Assets                     | Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara | 43.77                               | Modern Woollens Ltd.           | No                                                                                                                  | 21.10.1994                     | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                                                                                               |
| Property, Plant and Equipment           | Freehold land at Ahemdabad                                                                                             | 12.66                               | Modern Woollens Ltd.           | No                                                                                                                  | 21.10.1994                     | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                                                                                               |

**As on 31.03.2025**

| Relevant Line Item in the Balance Sheet | Description of Item of Property                                                                                        | Gross Carrying Value (Rs. in Lakhs) | Title Deeds held in name of    | Whether title deed holder is a promotor, director or relative of promotor/director or employee of promotor/director | Property held since which date | Reason for not being held in the name of the company                                                                                                                                                                                                                      |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Right to Use Assets                     | Leasehold land at khasra no. 3404, 3745/3404, 3747/3406, 3746/3409 at Hamirgarh Road, Bhilwara                         | 92.25                               | Sunil Textiles Mills Pvt. Ltd. | No                                                                                                                  | 21.10.1994                     | Sunil Textile Mill Pvt Ltd. Has been amalgamated with Modern Threads India Ltd. Vide the order of High Court Dt. 21.10.1994                                                                                                                                               |
| Right to Use Assets                     | Leasehold land at khasra no. 2616 and 2617 at Hamirgarh Road, Bhilwara                                                 | 125.00                              | Modern Woollens Pvt. Ltd.      | No                                                                                                                  | 21.10.1994                     | Modern Woollens Pvt Ltd. Converted into Modern Woollens Ltd. On 13.08.1976 and subsequently has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                        |
| Right to Use Assets                     | Leasehold land at khasra no. 2616/1 at Hamirgarh Road, Bhilwara                                                        | 7.50                                | Modern Woollen Mill (Firm)     | No                                                                                                                  | 21.10.1994                     | Modern Woollens Mills (Firm) Converted into Modern Woollens Pvt Ltd. and subsequently converted into Modern Woollens Ltd. And then has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994 |
| Right to Use Assets                     | Leasehold land at khasra no. 3361/2, 3367/3k, 3402/3k, 3368/2, 3402/2k, 3368/1 and 3367/2k at Hamirgarh Road, Bhilwara | 43.77                               | Modern Woollens Ltd.           | No                                                                                                                  | 21.10.1994                     | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                                                                                               |
| Property, Plant and Equipment           | Freehold land at Ahemdabad                                                                                             | 12.66                               | Modern Woollens Ltd.           | No                                                                                                                  | 21.10.1994                     | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                                                                                               |
| Property, Plant and Equipment           | Freehold land at Saha Mohalla, gosai tola, Mirzapur, Bhadohi                                                           | 2.63                                | Modern Woollens Ltd.           | No                                                                                                                  | 21.10.1994                     | Modern Woollens Ltd. has been acquired by Modern Threads India Ltd. Under the scheme of Reconstruction/ arrangement vide order of High Court Dt. 21.10.1994                                                                                                               |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**41 Wilful Defaulter**

The Holding Company was declared a wilful defaulter by certain lending banks and Financial Institutions from 31.3.2002 to 31.3.2010. Subsequent to such declaration, the Company has settled and repaid the outstanding dues to the lenders, hence other details are not furnished. However, as at 31 March 2026, certain banks have not formally withdrawn the wilful defaulter classification. Accordingly, the Company continues to make the disclosure required under Schedule III to the Companies Act, 2013.

**42** The Central Government has enacted a unified framework comprising four labour codes i.e. the Code on Wages 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code 2020 (Collectively referred as "Labour Codes"). These Labour Codes have been made effective from 21st November, 2025. The rules relating to said Labour Codes are yet to be notified. Based on the assessment carried out by the management, the existing salary structure and employee benefit practices of the Company are substantially aligned with the requirements of the new labour codes and there is no material impact on the financial results upon implementation of the said codes, however, consequential impact arising from rules will be assessed and appropriately accounted for upon such notification.

**43 ADDITIONAL REGULATORY INFORMATION AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013**

- i Title deeds of all immovable properties are held on the name of the Holding Company except as stated in Note No. 40.
- ii The Holding Company has not revalued any Property, Plant and Equipment and Intangible Assets during the year.
- iii The Holding Company has not given loan or advances in nature of loans to promoters, directors, KMPs and the related parties which is repayable on demands or without specifying any terms or period of repayment.
- iv There is no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- v There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 by the Holding Company during the year and there are no outstanding balance as on 31st March, 2026 with any struck off companies.
- vi There are no charges or satisfactions of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- vii The Holding Company has complied with the provisions of clause (87) of Section 2 of the Act with regard to the Companies (Restriction on number of Layers) Rules 2017.
- viii There is no Scheme of Arrangements approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013 during the year.
- ix The Holding Company has not advanced or loaned or invested funds to any other person or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- x The Holding Company has not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding that the Company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xi The Holding Company has not surrendered or disclosed as income or the previously unrecorded income and related assets during the year in the tax assessments which are not recorded in the books of accounts of the Company.
- xii Working Capital loan were applied for the purpose for which the loans were obtained.
- xiii The Holding Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**44. Analytical Ratios table**

| S. No. | Ratio Name                       | NUMERATOR                                           | DENOMINATOR                  | CURRENT YEAR | PREVIOUS YEAR | % VARIANCE | REASON FOR VARIANCE              |
|--------|----------------------------------|-----------------------------------------------------|------------------------------|--------------|---------------|------------|----------------------------------|
| 1.     | CURRENT RATIO                    | Current assets                                      | Current liabilities          | 1.70         | 1.82          | -6.38%     | Not Applicable                   |
| 2.     | DEBT-EQUITY RATIO                | Total Debt                                          | Shareholder's Equity         | 0.22         | 0.15          | 54.18%     | Due to higher current borrowings |
| 3.     | DEBT SERVICE COVERAGE RATIO      | Earning available for debt service                  | Debt service                 | 8.47         | 16.66         | -49.12%    | Due to higher interest payment   |
| 4.     | RETURN ON EQUITY (ROE)           | Net Profit after taxes-Preference Dividend (if any) | Average Equity Share Capital | 8.77%        | 2.57%         | 240.61%    | Due to increase in net profit    |
| 5.     | INVENTORY TURNOVER RATIO         | Cost of goods sold or sales                         | Average Inventory            | 2.27         | 3.26          | -30.39%    | Due to increase in average       |
| 6.     | TRADE RECEIVABLES TURNOVER RATIO | Net Credit Sales                                    | Average Trade receivable     | 6.74         | 5.56          | 21.30%     | Not Applicable                   |
| 7.     | TRADE PAYABLES TURNOVER RATIO    | Net Credit Purchases                                | Average Trade Payables       | 5.17         | 4.36          | 18.68%     | Not Applicable                   |
| 8.     | NET CAPITAL TURNOVER RATIO       | Net Sales                                           | Working Capital              | 4.00         | 3.57          | 12.06%     | Not Applicable                   |
| 9.     | NET PROFIT RATIO                 | Net Profit                                          | Net sales                    | 4.14%        | 1.30%         | 219.16%    | Due to increase in net profit    |
| 10.    | RETURN ON CAPITAL EMPLOYED       | Earning before interest and taxes                   | Capital Employed             | 11.58%       | 3.94%         | 193.83%    | Due to increase in net profit    |
| 11.    | RETURN ON INVESTMENT             | Earning before interest and taxes                   | Average Total Assets         | 8.58%        | 2.80%         | 206.20%    | Due to increase in net profit    |

**Notes to the Consolidated Financial statements for the year ended 31st March, 2026**
**CIN NO. L17115RJ1980PLC002075**
**45 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARY**

A The Consolidated Financial Statements present the Consolidated Accounts of Modern Threads (India) Limited with its wholly owned foreign Subsidiary Company:

| Name of the Entity         | Country of Incorporation | Proportion of Ownership of Interest |                     |
|----------------------------|--------------------------|-------------------------------------|---------------------|
|                            |                          | As at<br>31.03.2026                 | As at<br>31.03.2025 |
| Modern Woollens UK Limited | United Kingdom           | 100%                                | 100%                |

**B Disclosures mandated by Schedule III of the Companies Act 2013, by way of additional information:**

| Name of the Entities                                    | Rupees in Lakhs                                      |                  |                               |                 |                                                   |              |                                                   |                 |
|---------------------------------------------------------|------------------------------------------------------|------------------|-------------------------------|-----------------|---------------------------------------------------|--------------|---------------------------------------------------|-----------------|
|                                                         | Net Assets i.e. Total Assets minus Total Liabilities |                  | Share in Profit / (Loss)      |                 | Share in Other Comprehensive Income               |              | Share in Total Comprehensive Income               |                 |
|                                                         | As a % of Consolidated Net Assets                    | Amount           | As a % of Consolidated Profit | Amount          | As a % of Consolidated Other Comprehensive Income | Amount       | As a % of Consolidated Other Comprehensive Income | Amount          |
| Holding Company : Modern Threads (India) Limited        | 100.63%                                              | 14,631.65        | 106.95%                       | 1,303.60        | 114.31%                                           | 55.98        | 107.24%                                           | 1,359.58        |
| Subsidiary : Modern Woollens UK Limited                 | -0.14%                                               | (21.00)          | -1.66%                        | (20.23)         | -1.57%                                            | (0.77)       | -1.66%                                            | (21.00)         |
| <b>Sub Total</b>                                        | <b>100.49%</b>                                       | <b>14,610.65</b> | <b>105.29%</b>                | <b>1,283.37</b> | <b>112.74%</b>                                    | <b>55.21</b> | <b>105.58%</b>                                    | <b>1,338.58</b> |
| Inter - Company Elimination & Consolidation Adjustments | 0.49%                                                | 70.74            | -5.29%                        | (64.50)         | -12.74%                                           | (6.24)       | -5.58%                                            | (70.74)         |
| <b>Grand Total</b>                                      | <b>100.00%</b>                                       | <b>14,539.91</b> | <b>100.00%</b>                | <b>1,218.87</b> | <b>100.00%</b>                                    | <b>48.97</b> | <b>100.00%</b>                                    | <b>1,267.84</b> |

The financial information of a wholly owned subsidiary Modern Woollens UK Limited has not been audited by any auditor and its financial information has been prepared in accordance with the accounting principles generally accepted in the United Kingdom. For the purpose of preparation of the Consolidated Financial Statements, the Management of the Holding Company has converted such financial information from the accounting principles generally accepted in the United Kingdom to the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and approved by the management of Holding Company

**46 APPROVAL OF FINANCIAL STATEMENTS**

The Consolidated Financial Statements were approved for issue by the Board of Directors on 30th May, 2026.

47 Modern Woollens UK Limited, a wholly-owned foreign subsidiary commenced its operations during the quarter ended December 31, 2025. Accordingly, the Consolidated Financial Statements include the assets, liabilities, income and expenses of the subsidiary for the period from commencement of operations up to March 31, 2026.

48 The comparative figures for the year ended March 31, 2025 represent only the standalone financial statements of the Holding Company and do not include any financial information relating to the subsidiary. Accordingly, the current year figures are not comparable with those of the previous year to that extent.

**As per our report of even date attached**
**For S.S. Surana & Co.**

Chartered Accountants  
FRN 001079C

**(Pralhad Gupta)**

Partner

M. No. 074458

Place : Bhilwara

Date : 30.05.2026

UDIN : 26074458FEVNSY5387

**For and on behalf of the Board of Directors of Modern Threads (India) Limited**

Rajesh Ranka – Chairman &amp; Managing Director DIN : 03438721

Ankita Jain – Independent Director DIN: 09598249

P.K. Nahar – Whole Time Director &amp; CFO DIN: 11457800

Anil Kumar Jain – Company Secretary M.No. F7842 –

Place : Bhilwara

Date : 30.05.2026

**MODERN THREADS (INDIA) LIMITED**

Registered Office : Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan)  
Phone : 91-1482-241801 Website : www.modernwoollens.com E-mail : cs@modernwoollens.com  
CIN : L17115RJ1980PLC002075

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting hall)  
**45<sup>th</sup> Annual General Meeting - 30<sup>th</sup> September, 2026**

I hereby record my presence at the FORTY FIVE ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at Unit : Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) on Wednesday the 30<sup>th</sup> September, 2026 at 10:00 A.M.

Full Name of Member (IN BLOCK LETTERS) .....

Reg. Folio No./CLIENT ID ..... DP ID ..... No. of Shares held .....

Full Name of Proxy (IN BLOCK LETTERS) .....

Member's/Proxy's Signature .....

**NOTE : ADMISSION WILL BE STRICTLY PERMITTED FOR SHAREHOLDERS/VALID PROXY HOLDERS ONLY.**

**MODERN THREADS (INDIA) LIMITED**

Registered Office : Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan)  
Phone : 91-1482-241801 Website : www.modernwoollens.com E-mail : cs@modernwoollens.com  
CIN : L17115RJ1980PLC002075

**PROXY FORM**

Name of the member(s) : .....

Registered Address : .....

E-mail ID : ..... Folio No./Client ID : .....

DP ID : .....

I/We, being the members(s) of ..... Shares of the Modern Threads (India) Limited, hereby appoint.

1. Name : ..... Address : .....

E-mail ID : ..... Signature : ....., or failing him

2. Name : ..... Address : .....

E-mail ID : ..... Signature : ....., or failing him

3. Name : ..... Address : .....

E-mail ID : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 30<sup>th</sup> September, 2026 at 10:00 A.M. at Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) (India) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1 ..... 2 ..... 3 .....

Signed this ..... day of ..... 2026.

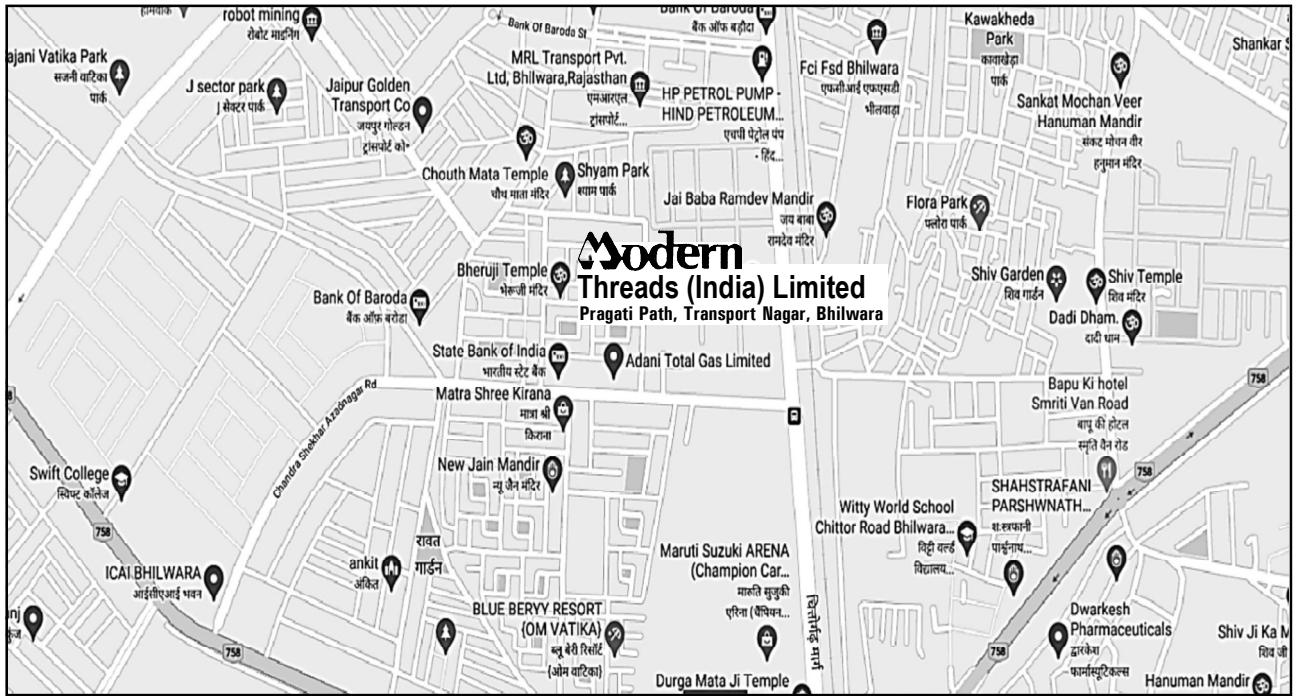
Signature of Shareholder : .....

Signature of Proxy Holder(s) : .....

**Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Modern Woollens, Pragati Path, Bhilwara-311001 (Rajasthan) (India) not less than FORTY EIGHT HOURS before the commencement of the meeting.**

Affix  
Re 1/-  
Revenue  
Stamp

## Route Map to the venue of AGM



Book Post  
(Printed Matter)

If undelivered please return to :



Modern Threads (India) Limited  
Unit : Modern Woolens, Pragati Path  
Bhilwara-311001 (Rajasthan) (India)