



ESTD
1946

VTM

LTD

Every Thread Matters

ANNUAL REPORT 2025-26

CORPORATE INFORMATION

Board of Directors

Thiru K. Thiagarajan
Dr (Smt) Uma Kannan
Thiru RM. Somasundaram
Thiru T.N. Ramanathan
Thiru M. Anbukani
Thiru Ganesh Ananthakrishnan
Thiru L. Sevugan
Thiru CR. Venkatesh
Thiru V. Kasinathan

Chairman and Managing Director

Thiru K. Thiagarajan

Chief Financial Officer

Thiru P. Senthil Kumar

Company Secretary

Smt K. Preyatharshine

Auditor

M/S. CNGSN & ASSOCIATES LLP
(Chartered Accountants, Chennai)

Banker

State Bank of India
IDBI Bank Limited
HDFC Bank Limited

Registered Office

Sulakarai, Virudhunagar

CIN

L17111TN1946PLC003270

ABOUT THIS REPORT

Every thread has a story. Together, they create the fabric of our journey.

VTM Limited’s Integrated Annual Report 2025–26 presents a comprehensive overview of the Company’s performance, strategic priorities and long-term vision for the financial year ended 31 March 2026. More than a record of financial results, the Report reflects how every decision, every innovation, every operational improvement and every stakeholder relationship has collectively contributed to strengthening the Company’s foundation for sustainable growth.

Prepared with transparency and stakeholder relevance at its core, the Report provides balanced insights into VTM’s business model, manufacturing capabilities, market positioning, governance practices, risk management framework and future outlook. It highlights the Company’s continued focus on operational excellence, responsible manufacturing and value creation while navigating an evolving global business environment.

The narrative has been structured to provide shareholders, investors, customers, employees, lenders and other stakeholders with a clear understanding of the Company’s strategic direction, financial performance and long-term growth priorities.

REPORTING APPROACH

This Annual Report has been prepared to present a fair, balanced and comprehensive view of the Company’s performance and prospects.

The Report combines financial and non-financial information to help stakeholders understand how VTM creates long-term value through disciplined operations, manufacturing excellence, customer-centricity and responsible business practices.

Wherever relevant, the Report incorporates insights from the Company’s strategic priorities, management discussions and market developments to provide meaningful context to its performance during FY2025–26.

REPORTING FRAMEWORK

This Report has been prepared in accordance with the applicable provisions of:

- The Companies Act, 2013,
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (where applicable),
- Indian Accounting Standards (Ind AS),
- Secretarial Standards issued by the Institute of Company Secretaries of India,
- Other applicable statutory and regulatory requirements.

MATERIALITY

The content included in this Report has been selected based on its relevance to the Company’s stakeholders and its significance to VTM’s long-term strategy, operational performance and value creation journey.

FORWARD-LOOKING INFORMATION

Certain sections of this Report contain forward-looking statements relating to future business prospects, growth opportunities and strategic initiatives. These statements are based on management’s current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed or implied.

Stakeholders are advised to consider these statements in conjunction with the risks and uncertainties discussed elsewhere in this Annual Report.

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OUR JOURNEY

Eight Decades of Weaving Excellence

1946

The company was incorporated as Virudhunagar Textile Mills Limited under A.V. Thomas banner.

1954-55

Virudhunagar Textile Mills was taken over by Karumuttu Thiagaraja Chettiar and become an integral part of his growing mill enterprise. It took shape as a robust organisation under his leadership, with the mill not only increasing production, but also diversifying into different kinds of fabrics. The emphasis remained firmly on quality and trust, as the mill steadily built a credible name for the weaves it produced.

1974

With the demise of Karumuttu Thiagaraja Chettiar, the baton of leadership was passed to his son, Karumuttu T. Kannan. The vision that the group is built on, is ably taken forward, with emphasis on quality, consistency and continuous innovation.

1975

Karumuttu T. Kannan initiates modernisation of the mill with the latest hi-tech looms and other machinery.

2004

The company changed its name to VTM Limited on 18th November 2004.

2009

Karumuttu Kannan's son, Hari Thiagarajan becomes a part of the leadership team in VTM.

2012

Executed a Stock Split subdividing 'one equity share of ₹10 each into ten equity shares of ₹1 each.'

2019

Visalakshi Kannan joins the company to establish its home textile division, manage the growing export market, and to further expand VTM's global presence.

2020

Home textiles unit is established. This unit specialises in high-end, luxury products like bed linen, comforters and duvets. In the same year, the Pacific Cotton Company was launched. This customer-focused arm of VTM is a brand in itself, leveraging data-driven insights to understand end user needs. Its USP is ethically-manufactured home textiles.

2025

The company issued 3 new bonus shares for every 2 existing shares held by eligible Shareholders.

PRODUCT PORTFOLIO

Weaving Quality.
Delivering Comfort.

VTM Limited offers a diversified portfolio of premium fabrics and home textile products, catering to domestic and international markets with a focus on quality, innovation, and customer satisfaction.

Fabrics



- Drills
- Twills
- Sateens
- Piques
- Jacquards
- Dobbies
- Plain Weaves
- Structured Fabrics
- Specialty Woven Fabrics



Home Textiles



- Bed Sheets
- Bed Linen
- Duvet Covers
- Comforters
- Blankets
- Pillow Covers
- Cushions
- Hospitality Linen
- Spa Linen
- Table Linen
- Bath Linen
- Window Furnishings

Sustainable & Specialty Fibres



- Cotton
- Organic Cotton
- Linen
- Bamboo
- TENCEL™
- Lyocell
- Modal
- Polyester Blends
- CVC Blends

ABOUT US

Excellence in Every Thread,
Value in Every Endeavour.

The story of VTM Limited is rooted in the vision of Karumuttu Thiagaraja Chettiar, who returned from Ceylon to Madurai in the early 1900s with a mission to build world-class textile enterprises while creating meaningful employment opportunities for the local community. Guided by a commitment to quality, integrity, and social progress, he laid the foundation for an industrial legacy that would shape generations.

Over his lifetime, he established 18 textile mills, a sugar mill, a bank, a newspaper, and several educational institutions, creating a lasting impact on industry and society. Today, with a legacy spanning more than 75 years, VTM Limited continues to uphold these founding values as part of the Thiagarajar Group, combining manufacturing excellence, community development, and sustainable growth to create enduring value for all stakeholders.

Vision and Values

VTM's vision is to take forward the foundational principles and to explore larger and newer markets, while embracing technological innovations that help us stay relevant. VTM's foundational values of trust and integrity remain the essence of its operations. Additionally, Quality, Customer Service and Impact drive all our relationships.

Social Responsibility

Supports the broader community through esteemed colleges and schools. The group also provides housing and education to employee's children ensuring the community development as a whole.

Sustainability

As an industrial enterprise, VTM believes that responsibility is at the core of all its actions and processes. Therefore, Environment and Sustainability Governance guides the impact of all our manufacturing activities. We seek to sustain and nurture, even as we evolve and grow.

Quality

VTM's production line has built-in quality checks that ensure fabrics uncompromisingly meet global standards.

Compliance

Internationally-recognised standards govern our manufacturing processes. Transparency and safety are built into processes. Adherence to certifications including GOTS, Supima, and OEKO-TEX, every stage of the supply chain boasts of contamination-controlled environments and uncompromising compliance.

WHO WE ARE

A Legacy of Trust,
A Future of Value Creation.

VTM Limited is a leading textile manufacturer with a legacy of nearly **80 years**, specializing in premium woven fabrics and value-added home textile products. Since its incorporation in **1946**, the Company has continuously evolved through technology upgrades, capacity expansion, product diversification, and a strong commitment to quality.

The Company operates integrated manufacturing facilities at **Virudhunagar and Alampatti, Tamil Nadu**, supported by advanced weaving infrastructure and dedicated home textile operations. VTM's production capabilities comprise **277 weaving machines, including 163 Airjet looms, 78 Sulzer looms, 26 Rapier looms, and 10 Jacquard machines**, enabling the manufacture of approximately **1.7 million metres of fabric per month**. These capabilities allow the Company to cater to a wide range of applications across apparel, institutional, hospitality, and home textile segments.

Over the years, VTM has strategically expanded its manufacturing footprint and strengthened its value-added offerings. The launch of a dedicated



Home Textiles Division in 2020 marked the Company's entry into premium bedding products, including bed linen, comforters, and duvets. In **2022-23**, VTM further strengthened its export-oriented operations through its Home Textiles Products.

Sustainability is deeply embedded in VTM's operating philosophy. The Company commissioned a **1.35 MW solar power plant** to support its manufacturing operations and currently meets a significant portion of its energy requirements through renewable sources, reinforcing its commitment to environmentally responsible growth.

Today, backed by nearly eight decades of manufacturing expertise, a diversified product portfolio, modern infrastructure, and a growing global presence, VTM continues to create value for customers, shareholders, employees, and communities while strengthening its position in the textile industry.



BUSINESS MODEL

VTM creates value by transforming premium cotton into high-quality fabrics and home textile products through advanced manufacturing, stringent quality standards, sustainable operations, and customer-centric innovation.



Business Segments

Fabric Division

Products

Sheeting Fabrics, Dobby Fabrics, Jacquard Fabrics, Twills, Sateens, Specialty Woven Fabrics

Manufacturing Capabilities

277 weaving machines comprising 163 Airjet Looms, 78 Sulzer Looms, 26 Rapier Looms, and 10 Jacquard Machines

Key Highlights

Production capacity of approximately 1.7 million metres of fabric per month; serves domestic and export markets

Home Textiles Division

Products

Bed Linen, Comforters, Duvets, Utility Bedding, Hospitality Textiles and other value-added products

Manufacturing Capabilities

Equipped Plant to manufacture premium home furnishing products

Key Highlights

Focused on high-value products and export market expansion

Exports Business

Products

Fabrics and Home Textile Products

Manufacturing Capabilities

Dedicated export-oriented operations supported by modern manufacturing infrastructure

Key Highlights

Growing global presence across international markets with customer-focused product development

Sustainable Manufacturing

Products

Renewable Energy for Textile Operations

Manufacturing Capabilities

Wind Mill and Solar Power Plant supporting manufacturing facilities

Key Highlights

Enhances operational efficiency and reinforces commitment to sustainable manufacturing



MANUFACTURING FACILITIES

Integrated Textile Manufacturing Facility

VTM Limited operates an integrated textile manufacturing facility located at **Sulakarai, Virudhunagar, Tamil Nadu**, equipped with modern weaving, processing, and home textile manufacturing capabilities. The facility is supported by continuous investments in modernization and technology upgradation to enhance productivity, product quality, and operational efficiency.

Recent Capacity & Technology Upgrades (FY26)

- Invested over **₹25 crore** towards modernization, plant upgrades and capacity building.
- Installed **New Rapier Looms** imported from Italy with Leno attachment capability for manufacturing high-value niche fabrics.
- Added advanced **fabric inspection and packing machines** to improve quality assurance and customer satisfaction.

Renewable Energy Infrastructure

As part of its ESG commitment, VTM has significantly expanded its renewable energy capacity by commissioning additional Rooftop Solar Power Plants.

MANAGING DIRECTOR'S MESSAGE

"A fabric derives its strength not from a single thread, but from every thread woven together with care and precision. Over the years, I have come to believe that building an institution follows the same principle. Every relationship we nurture, every improvement we make, every decision we take and every individual who contributes to this organisation becomes part of a larger story that defines who we are."

A Legacy Built on Craftsmanship

For nearly eight decades, VTM Limited has grown with a clear purpose - to deliver quality through consistency, craftsmanship and integrity. Our journey has never been driven by scale alone, but by the enduring relationships

we have built with our customers, employees and stakeholders.

Every visit to our manufacturing facility reinforces this belief. Beyond the machinery and processes lies the dedication of people who have perfected their craft over decades. Their

commitment, together with our culture of quality and discipline, continues to define the character of VTM.

Staying Focused Amid Change

FY2025-26 was a year marked by geopolitical uncertainties, raw material volatility and evolving

global trade dynamics. While such conditions tested the textile industry, they also reaffirmed the importance of long-term thinking.

During the year, we consciously prioritised customer relationships, business continuity and future investments over short-term financial outcomes. We believe trust, once earned, becomes a lasting competitive advantage, and preserving that trust remains central to every decision we make.

Strengthening the Foundations for Growth

India's emergence as a preferred global sourcing destination presents significant opportunities for manufacturers with strong technical capabilities and reliable execution.

At VTM, we continued to invest in advanced weaving infrastructure, capacity enhancement and operational improvements to strengthen manufacturing flexibility and product capabilities. Simultaneously, we expanded our focus on value-added fabrics and made-ups, enabling us to respond more effectively to changing customer requirements and market opportunities.

We also continued to diversify our export presence beyond traditional markets into regions including Europe, Japan, the United Kingdom and Australia, strengthening both our customer base and long-term business resilience.

Growing Responsibly

Responsible manufacturing has become an integral part of our business philosophy. Improving operational efficiency, optimising resource utilisation and maintaining strong governance standards are essential to building a sustainable organisation.

Equally, our greatest strength continues to be our people. Their experience, dedication and shared commitment to excellence have enabled VTM to navigate changing market conditions while preserving the values that have guided us for decades.

I extend my sincere appreciation to our employees, customers, suppliers, business partners, bankers and shareholders for their continued confidence and support. Their trust remains one of our greatest assets.

Looking Ahead

The long-term outlook for the Indian textile industry remains encouraging, supported by India's growing role in global supply chains, increasing demand for premium home textiles and the global shift towards responsible sourcing.

As we move forward, our priorities remain unchanged—to strengthen our manufacturing capabilities, expand our value-added portfolio, improve productivity and deepen customer relationships while maintaining disciplined and sustainable growth.

The story of VTM has never been shaped by a single achievement. It has been built through thousands of meaningful contributions made every day by our people, our customers and our partners. Those individual efforts, woven together over time, continue to strengthen the foundation of our Company and will guide us as we create enduring value for the years ahead.

Warm Regards,
Hari Thiagarajan
Managing Director
VTM Limited



CHIEF FINANCIAL OFFICER'S MESSAGE

"Behind every metre of fabric produced at VTM lies a series of carefully considered financial decisions—from investing in technology and capacity to managing costs, cash flows and capital with discipline. While these decisions may not be visible on the shop floor, they form the foundation of our resilience and our ability to create sustainable value. FY2025–26 reaffirmed that disciplined financial stewardship remains one of VTM's greatest strengths."

Balancing Growth with Financial Discipline

FY2025–26 was a year that demanded measured decision-making. Volatility in cotton prices, changing trade dynamics, currency fluctuations and higher logistics costs created a challenging operating environment for the textile industry. In such circumstances, our

priority extended beyond protecting short-term profitability—we remained focused on preserving financial stability while continuing to invest in VTM's long-term competitiveness.

Rather than responding with short-term measures, we chose to strengthen customer relationships,

maintain operational continuity and continue investing in capabilities that will support sustainable growth in the years ahead.

Strengthening the Financial Fabric

Our financial performance reflected the resilience of VTM's diversified business model. While external

headwinds temporarily impacted margins, our greige fabrics and made-ups businesses continued to provide a balanced revenue mix and reinforce the Company's long-term growth potential.

Across the organisation, significant emphasis was placed on improving manufacturing efficiency, optimising procurement and strengthening cost discipline.

Continuous operational improvements helped mitigate inflationary pressures while enhancing productivity and supporting overall financial performance.

Working capital management remained another key focus area. Through disciplined inventory planning, prudent receivables management and tighter cash flow monitoring, we continued to improve capital efficiency without compromising customer service or operational continuity.

Investing for Tomorrow

Every investment undertaken by VTM is evaluated not only for its financial return but also for its strategic value. During the year, we continued

investing in advanced weaving technology, capacity enhancement and productivity improvement initiatives that will strengthen manufacturing flexibility, improve quality consistency and support higher value-added products. These investments reflect our belief that prudent capital allocation is about creating long-term competitiveness while preserving financial strength.

Equally, our disciplined approach to liquidity management, leverage and capital deployment has enabled the Company to maintain a strong financial foundation, providing the flexibility to navigate uncertainty while pursuing future growth opportunities with confidence.

Building Enduring Value

Risk management remains integral to our financial philosophy. Foreign exchange movements, raw material price volatility and changing global trade dynamics require continuous monitoring and timely action. By strengthening treasury management, procurement discipline and financial controls, we continue to build resilience into the

business while reducing exposure to external uncertainties.

As we expand our presence across newer international markets and strengthen our value-added product portfolio, disciplined financial management will continue to underpin every strategic decision.

Looking Ahead

The fundamentals of VTM remain strong. Supported by disciplined capital allocation, operational excellence and a prudent financial approach, we are well positioned to capitalise on emerging opportunities while maintaining long-term financial stability.

I extend my sincere appreciation to our finance team, colleagues across the organisation, customers, suppliers, bankers and shareholders for their continued trust and support. Their confidence inspires us to remain focused on creating sustainable value through every decision we make.

As we move into FY2026–27, we do so with confidence in our financial foundations and a clear commitment to building a stronger, more resilient VTM for the years ahead.



Warm Regards,
P. Senthil Kumar
Chief Financial Officer
VTM Limited

AWARDS

Recognition that Reflects Our Commitment to Excellence

At VTM Limited, every recognition is a testament to our unwavering commitment to quality, operational excellence and continuous improvement. These achievements reflect the dedication of our employees, the trust of our customers and our relentless pursuit of creating value through innovation and disciplined execution.

01

TEXPROCIL Gold Award

Highest Global Exports

VTM Limited was honoured with the TEXPROCIL Gold Award for Highest Global Exports, presented by the Hon'ble Union Finance Minister of India, Smt. Nirmala Sitharaman. This prestigious recognition reaffirms the Company's strong global presence, export excellence and enduring commitment to delivering world-class textile solutions across international markets.



02

Best Kaizen Award

12th Kaizen Mela 2026

VTM Limited received the Best Kaizen Award at the 12th Kaizen Mela 2026, organised by the Quality Circle Forum of India (QCFI), Madurai Chapter. The award recognises the Company's culture of continuous improvement, employee-driven innovation and operational excellence, reinforcing our commitment to enhancing productivity, quality and manufacturing efficiency.

Recognition Driven by Our People

These honours belong to every member of the VTM family whose passion, dedication and pursuit of excellence continue to strengthen our organisation. Every milestone inspires us to raise the benchmark further, creating enduring value for our customers, stakeholders and the communities we serve.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 79th Annual General Meeting of the Members of the Company will be held through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM) on Friday, the 31st of July, 2026 at 4.45 PM to transact the following business.

AGENDA

AS ORDINARY BUSINESS:

Item No.1 - Adoption of Financial Statements

To receive, consider, and adopt the Audited Balance Sheet of the Company as of 31st March 2026, the Profit & Loss Statement for the year ended on that date, and the reports of the Directors and the Auditors thereon.

Item No.2 - Re-appointment of Sri V.Kasinathan, Director.

To appoint a Director in place of Sri V. Kasinathan, who retires by rotation and being eligible offers himself for re-appointment.

AS SPECIAL BUSINESS:

Item No. 3 – Ratification of Cost Auditor Remuneration:

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

Resolved that subject to provisions of section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions thereon, the fees of Rs.70,000/- payable to the Cost Auditor, Mr. A. N. Raman for auditing the cost records and furnishing of Report thereon for the Financial Year 2026-27 as recommended by the Audit Committee and approved by the Board of Directors of the Company be and is hereby ratified.

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 26th July 2026 to 31st July 2026 (both days inclusive) for annual closing.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. Since this AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), (a) Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip & Route Map are not annexed to this Notice. The Route Map is not required to be annexed to this Notice.
4. The Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividends, if any declared by the company. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividends are requested to write to the Company.
7. Members are requested to note that the dividends not encashed or remaining unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred u/s. 124 of the Companies Act, 2013 to the Investor Education and Protection Fund (IEPF) established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the MCA.

8. The Members/Claimants whose shares, and unclaimed dividend have been transferred to IEPF may claim the shares or apply for a refund by making an application to IEPF Authority in Form IEPF-5 (available on www.mca.gov.in) along with the requisite fee as decided by it from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
9. Members who have not encashed their dividend warrants for the earlier financial years are requested to make their claim on or before the due date/s for such transfer. The members can claim with the Company in respect of the dividends of years that are lying in the Unpaid Dividend Account of the Company.
10. Members are requested to note that pursuant to the provisions of the Companies Act, 2013, SEBI Listing Regulations, and the IEPF Rules, all such shares in respect of which dividends have not been paid or claimed for seven consecutive years or more are also required to be transferred to IEPF. The Company is taking steps to send individual notices to the concerned shareholders and to publish a public notice to shareholders under the IEPF Rules in this regard.
- 11. The Securities and Exchange Board of India (SEBI) has mandated the submission of a Permanent Account Number (PAN), e-mail id, and bank details, besides the Mobile phone number by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and other above-mentioned details to the Company.**
12. Details required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
13. An electronic copy of the Annual Report for the year 2025-26 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested a hard copy of the same.
14. An electronic copy of the Notice of the 79th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 79th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting will be sent in the permitted mode, if requested.
15. Members may also note that the Notice of the 79th Annual General Meeting and the Annual Report for the year 2025-26 will also be available on the Company's website www.vtmill.com for their download.

16. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Sulakarai, Virudhunagar for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon requesting the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: complianceofficer@vtmill.com.

INSTRUCTIONS AND OTHER INFORMATION RELATING TO E-VOTING

I. Remote e-voting:

In compliance with 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 as per Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 ("SEBI Listing Regulations"), the Company is providing e-voting facility through KFin Technologies Limited ('KFintech') on all resolutions set forth in this AGM Notice, to Members holding shares as on 24th July 2026, being the cut-off date fixed for determine eligible members to participate in the remote e-voting process. The instructions for e-Voting are given herein below.

As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants.

Individual demat account holders would be able to cast their vote without registering again with the e-Voting service providers (ESPs) thereby not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

Any person holding shares in physical form and non-individual shareholders, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she /it is already registered with KFintech for remote e-Voting then he /she /it can use his / her /its existing User ID and password for casting the vote.

The details of the process and manner for remote e-Voting are explained herein below:
Step 1: Login method for Individual shareholders holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility: I. Visit URL: https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider (i.e. KFintech) and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services: I. To register click on link: https://eservices.nsdl.com. II. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. III. Proceed with completing the required fields. IV. Follow steps given in points 1. 3. Alternatively by directly accessing the e-Voting website of NSDL:	1.Existing user who have opted for Easi / Easiest: I. Visit URL: II. https://web.cdslindia.com/myeasitoken/home/login or URL: www.cdslindia.com III. Click on New System Myeasi IV. Login with your registered user id and password. V. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e- Voting portal. VI. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest: I. Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration II. Proceed with completing the required fields. III. Post registration is completed, follow the steps given in point 1.

I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. V. Click on company name or e-Voting service provider name and you will be re-directed to KFintech e-Voting website for casting your vote during the remote e-Voting period.	3. Alternatively, by directly accessing the e-Voting website of CDSL: I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress. V. Click on company name and you will be redirected to KFintech e-voting website for casting your vote during the remote e- voting period.
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Individual Shareholders (holding securities in demat mode) login through their depository participants.

- I. You can also login using the login credentials of your demat account through your demat accounts / websites of Depository Participants registered with NSDL /CDSL for e-Voting facility.
- II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
- III. Click on options available against company name or e-Voting service provider – **KFintech** and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication.



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 websites of Depositories / Depository Participants.

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

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in log-in can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Step 2: Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
- Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e- voting, you can use your existing User ID and password for casting the vote.
- After entering these details appropriately, click on "LOGIN".
- You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVEN for VTM Limited and click on "Submit".

- On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
 - Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - You may then cast your vote by selecting an appropriate option and click on "Submit".
 - A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email rsachida@yahoo.co.in with a copy marked to evoting@kfintech.com and complianceofficer@vtmill.com. The scanned image of the above- mentioned documents should be in the naming format "Corporate Name Even No." The documents should reach the Scrutinizer on or before 5:00 pm on 30th July 2026-
- B. Members whose email IDs are not registered with the Company/Depository Participants(s)], will have to follow the following process:
- Members who have not registered their email address and in consequence the Postal / AGM/ EGM Notice cannot be serviced, for receiving the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the AGM Notice and the e-voting instructions.
 - After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.



ii. OTHER INSTRUCTIONS:

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Mr. Suresh Babu, (Unit: VTM) of KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@kfintech.com or evoting@kfintech.com or phone no. 040 - 6716 2222 or call toll free No. 1800-309-4001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 26th July 2026 (9:00 AM IST) and ends on 30th July 2026 (5:00 PM IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. on 25th July 2026, may cast their votes electronically. Any person who is not a member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the members, the members shall not be allowed to change it subsequently.
- d. The voting rights of members shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the cut-off date i.e. 24th July 2026
- e. Any Member who has forgotten the User ID and Password, may obtain / generate / retrieve the same from KFintech in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call KFintech toll free number 1800-309-4001 for any assistance.
- iv. Member may send an e-mail request to evoting@kfintech.com.

The Board has appointed Mr. S. Ramalingam, (61773) Practicing Company Secretary for conducting the AGM and e-voting process in a fair and transparent manner.

The Scrutinizer's shall submit a Report after the completion of scrutiny of votes cast through e-voting. The Chairperson or a person authorised by him in writing shall declare the result of voting forthwith.

In the event the resolution is passed by requisite majority, the date of passing the resolution shall be deemed to be on 31st July 2026, viz. Date of AGM.

The results of the e-voting along with the scrutinizer's report shall be communicated on or before 3rd August 2026 to the BSE Limited, where the shares of the company are listed and shall be placed on the Company's website www.vtmill.com and on the website of KFintech (<https://evoting.kfintech.com>) immediately after the result is declared by the Chairperson or any other person authorised by the Chairperson.

Note On TDS:

In compliance with the Income Tax Act, 2025 (earlier Income Tax Act, 1961) read with the provisions of the Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from the dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

1. A Resident shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 121 applicable w.e.f. April 1, 2026 as per Income Tax Act, 2025 (previously known as Form 15G / 15H as per Income Tax Act, 1961), to avail the benefit of non-deduction of tax at source by submitting the documents at a dedicated link <https://ris.kfintech.com/clientservices/investors/taxforms.aspx> on or before May 22, 2026.
2. Shareholders are requested to note that, in case, their PAN is not registered, the tax will be deducted at a higher rate of 20% as per section 397(2)(b) of Income Tax Act, 2025 (corresponding section 206AA(1) of Income Tax Act, 1961).
3. Non-resident shareholders [including Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 41 applicable w.e.f. April 1, 2026 as per Income Tax Act, 2025 (previously known as Form 10F as per Income Tax Act, 1961), any other document which may be required to avail the tax treaty benefits by uploading the duly signed scanned documents by visiting <https://ris.kfintech.com/clientservices/investors/taxforms.aspx> on or before May 22, 2026.
4. No communication in relation to submission of document(s) shall be accepted after the Record Date.
5. No TDS shall be deducted, if aggregate dividend distributed or paid or likely to be

distributed or paid during the financial year to resident individual shareholder does not exceed Rs. 10,000/-.

6. In case of non-resident shareholders, for whom tax is withheld as per the Income Tax Act, 2025, the applicable surcharge & cess for FY 27 shall be as under:

Dividend Income	Firm/FII registered as LLP	Foreign Company/ FII registered as Foreign Company	Domestic Company, Co-operative society
Exceeding Rs. 1 Crore but up to Rs.10 Crore	12%	2%	7%
Exceeding Rs.10 Crore	12%	5%	12%

Dividend Income	Individual, AOP, BOI, HUF, Trust, AJP		FII / FPI characterized as AOP (With all members as a companies)
	As per Default/ New tax regime	As per old tax regime	
Upto Rs. 50 Lakh	Nil	Nil	Nil
Exceeding Rs. 50 Lakh but up to Rs.1 Crore	10%	10%	10%
Exceeding Rs. 1 Crore but up to Rs.2 Crore	15%	15%	15%
Exceeding Rs. 2 Crore but up to Rs.5 Crore	25%	25%	15%
Exceeding Rs 5 Crore	25%	37%	15%

I. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Type of Member Login Method:

Individual Members holding securities in demat mode with NSDL:

A) Existing Internet-based Demat Account Statement ("IDeAS") facility Users:

- Visit the e-services website of NSDL <https://eservices.nsdl.com> either on a personal computer or on a mobile.
- On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under the 'IDeAS' section. Thereafter enter the existing user ID and password.
- After successful authentication, Members will be able to see e-voting services under 'Value Added Services'.
- Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed.
- Click on the Company name i.e. 'VTM Limited' or e-voting service provider ('ESP') i.e. KFinTech.
- Members will be re-directed to KFinTech's website for casting their vote during the remote e-voting period and voting during the AGM.

B) Users not registered under IDeAS e-Services:

- Visit <https://eservices.nsdl.com> for registering.
- Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.

C) By visiting the e-voting website of NSDL:

- Visit the e-voting website of NSDL <https://www.evoting.nsdl.com>
- 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.
- Members will have to enter their User ID (i.e. the sixteen-digit demat account number held with NSDL), password/OTP, and a Verification Code as shown on the screen.
- After successful authentication, Members will be redirected to the NSDL Depository site wherein they can see the e-voting page.
- Click on the company name i.e. 'VTM Limited' or ESP name i.e. KFinTech after which the Member will be redirected to ESP website to cast their vote during the remote e-voting period and vote during the AGM.



II. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

The Board, at its meeting held on 22nd May, 2026 appointed Mr. A. N. Raman, Practicing Cost Accountant, having Membership No.9167, as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act) and fixed a sum of Rs.70,000/- as remuneration payable to him, for the financial year 2026-27.

The remuneration, as recommended by the Audit Committee and approved by the Board, is required to be ratified by the shareholders of the Company, as per the requirements of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.3.

Accordingly, the Board recommends the ordinary resolution, as set out in Item No.3, for ratification by the shareholders of the Company.

By order of the Board

K Thiagarajan
DIN: 03638370
Chairman & Managing Director

Kappalur, Madurai
May 22, 2026

DIRECTORS' REPORT

FOR THE YEAR ENDED ON 31ST MARCH, 2026

To the Members of VTM Limited

Your Directors take pleasure in presenting their 79th Annual Report along with the Audited statement of accounts for the year ended 31st March, 2026.

Adoption of Financial Statements under Ind AS:

Your Company's Financial Statements for the FY 2025-26 are prepared in compliance with the Companies (Indian Accounting Standards) Rules, 2015.

Operating & Financial Performance

Profits, Dividends & Retention

Rs. in Lakhs.		
Particulars	2025-2026	2024-2025
Turnover	37198	34453
Profit before Depreciation (after interest)	2934	6994
Less: Depreciation	1135	942
Profit after Depreciation	1799	6052
Less: Exceptional Item	302	
Provision for Taxation		
Current Year	376	1552
Current tax adjusted to earlier years	19	(18)
Deffered Tax	(19)	(20)
Total Tax Provision	376	1514
Profit after Tax	1120	4538
Add: Amount brought forward	8219	4095
Available for appropriation	9339	8633

Appropriation	2025-2026	2024-2025
Transfer to General Reserve		
Dividend @ Re.0.25 per share	-	101
Dividend @ Re.0.75 per share	754	302
Total Dividend	754	403
Transfer from Other Comprehensive Income	-3	11
Retained profit carried forward to the follow-ing year	8588	8219

During the year under review, the Company achieved an impressive turnover of ₹37,198.13 lakhs for the financial year ended 31st March 2026, as compared to ₹34,452.68 lakhs in the previous financial year, reflecting 7.97% year-on-year growth. Export turnover stood at ₹ 23,003.63 lakhs, accounting for 61.84 % of the total turnover, as against ₹ 22,088.34 lakhs in FY 2024-2025, The company has been able to maintain export sales at previous levels, and this safeguarded our market presence and ensured continuity in operations in a highly volatile global environment.

Despite challenging global trade conditions arising from increased tariff barriers, geopolitical tensions, and war related disruption in the international markets, compared with peer companies in the industry, our company has shown better sales volumes. Company successfully sustained its export performance through timely execution of orders and consistent product quality.

The Company registered a remarkable sales turnover of ₹ 19,197.67 lakhs from the Home Textiles segment alone, backed by consistent innovation in product development and design. The positive reception continued from international customers underscores our competitive edge and reinforces our position as a preferred supplier in niche overseas markets.

The company successfully maintained home textiles export sales better than previous year's level, safeguarded our market presence and ensured continuity of operations in a highly volatile global environment compared with the peer companies in the industry. Our company has shown better stability in sales volumes, customer retention, operational execution, export order management despite adverse international trade conditions.

Maintaining export sales at the previous year's level under the prevailing challenging circumstance reflects the resilience of the company's business model, strength of customer relationship and adaptability to changing global dynamics.

Despite severe challenges arising from increased tariffs, war related global disruptions, pressure on export margin, our company has demonstrated a resilient performance during the year.

The Company posted a Profit After Tax (PAT) of ₹1119.58 lakhs for the year ended 31st March 2026, from ₹4537.41 lakhs in the previous year.

This year profitability was significantly impacted due to the additional tariff burden and adverse global trade conditions arising from geopolitical conflicts and war-related disruptions. Global

uncertainties caused by ongoing war situations resulted in higher logistics cost, shipping disruptions, extended transit periods, volatility in price and currency led to margin pressures. These factors collectively affected profitability during the year.

The decline in profit during the year is primarily attributable to the exceptional tariff burden and war-related global economic disruptions rather than any reduction in operational efficiency or demand for the Company's products.

Despite facing volatile global economic conditions influenced by geopolitical tensions, inflationary pressures, and fluctuating demand trends, your Company has delivered reasonable financial performance. The domestic market has also shown signs of recovery, although exports—especially in Home Textiles—have continued to be the key driver of growth.

Despite increased manufacturing expenses and high volatility in export markets, we hope Our industry may witness certain positive developments. Global buyers are increasingly looking to diversify sourcing bases and ensure supply chain stability, continuity and reduce dependency on sensitive regions. India with its manufacturing strong base, integrated value chain is well positioned to benefit from this shift. Your Directors are optimistic about achieving better results in the coming years.

During the last year, the foreign exchange scenario remained volatile with significant depreciation of the Indian rupee against major currencies, especially 9.5% depreciation against USD. The expected benefits arising out of depreciation were substantially offset by impact of increase in tariff and increase in cost of material due to the US Iran ongoing war.

Directors foresee a comparatively favorable market environment during the current year.

Modernization & Upgradation

NEW LOOMS AND OTHER MACHINERY PURCHASE:

Your Company had imported 04 Nos. of 190cm ITEMA Rapier looms with Leno attachment from Italy at a cost of Rs.3.55 Cr and installed to meet our global market requirements of leno selvedge fabric. To fulfil our "Home Textiles" requirement of FLORAL JACQUARD fabrics, we have installed 04 Nos. PICANOL OPTIMAX loom with Staubli Jacquard at a cost of Rs.1.80 Cr. To produce High Value "SEER SUCKER" fabric, we have installed 02 Nos. PICANOL ULTIMAX Rapier looms with FANCY BEAM Attachment at a cost of Rs.2.13 Cr which were imported from Belgium. To match the requirement of Linen Fabric production for our Home Textiles, we have purchased one Sectional Warping machine from M/S.RABATEX at a cost of Rs.1.08 Cr. We have purchased 01 Yarn Conditioning Unit from M/S.SIEGER at a cost of Rs.0.30 Cr to achieve good quality and loom efficiency.

Through the state-of-the-art weaving machines and machineries, we can weave larger and complicated dobby Leno designs, Linen Fabrics and Seer Sucker fabrics with special yarn and multiple yarn counts.



FABRIC FOLDING (Packing) MACHINE:

To improve the packing quality and satisfy the customer requirement and ergonomics of the operators, we purchased and installed 01 No. Automatic Folding machine at a cost of Rs.0.20 Cr.

SAFETY:

We have installed "FIRE HYDRANT" at the cost of Rs.0.92 Cr to ensure the safety. All the departments and warehouses storing the raw material and Finished Goods are connected with this Fire Hydrant to ensure the safety and statutory requirements.

Alternate Source of energy:

Environmental Social and Governance (ESG)

The Company always strives to maximize the usage of Green Energy and thus reduce the carbon footprint. The Company uses electrical energy generated from company's Windmills and Solar plants (Total capacity 6.31 MW). Also, its sources green energy from market to support the clean environment initiatives. Company produced 94.31 lakhs units of green energy from its own infrastructure and purchased 32.37 lakhs units from the Market.

Further the company has installed 2 Nos. of energy efficient compressors, each having a capacity of 755 CFM at a total cost of Rs 72.0 lakhs to meet the air requirement of newly installed machines and conserve energy. As a result, the company has achieved energy savings of 209 units per day. In addition, the company has replaced the conventional Supply air fans with newly installed energy efficient fans in Sulzer department humidification plant, resulting in energy savings of 181 units per day.

Dividend

The Board of Directors, after considering the Company's profitability, ongoing and proposed expansion initiatives, and long-term growth requirements, has decided not to recommend any dividend on the Equity Shares for the financial year under review.

The Board also noted that during the financial year, the Company had issued Bonus Shares and had recommended a Final Dividend for the FY 2024-25 of Rs.0.75/- per Equity Share including the Bonus Shares so allotted, which was approved by the Members at the Annual General Meeting held on 2nd July 2025 and subsequently paid to the eligible shareholders.

Extract of Annual Return

As per the requirements of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management & Administration) Rules, 2014 the annual return has been given as a link in Company's website www.vtmill.com.

Associate Company/Holding or Subsidiary Company

The Company does not have any Associate Company as defined under the Companies Act, 2013 and has not entered into any joint venture agreement during the year under review.

Change in the Nature of Business

There is no change in the nature of the business of the Company.

Orders by Regulators or Courts

There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Material Changes Affecting the Financials

There were no material changes and commitments affecting the financial position of the Company occurring between March 31, 2026 and the date of this Report of the Directors.

Internal Control System

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Code on Internal Control which requires that the Directors to review the effectiveness of internal controls and compliance controls, financial and operational risks, risk assessment and management systems, and related party transactions, have been complied with. Self-certification exercises are also conducted by which Senior management certifies the effectiveness of the internal control system, their adherence to the Code of Conduct and the Company's policies for which they are responsible, financial or commercial transactions, if any, where they have a personal interest or potential conflict of interest. The Internal Audit of the Company is carried out by M/s. GSN & Associates., Chartered Accountants Coimbatore, periodically.

The company have appointed M/s TBL & Associates, Chennai as the Internal Auditors for the FY 2026-27.

Company's Policies

Company's Policies on Corporate Social Responsibility, Remuneration, Employee Concern (Whistle Blowing), the Code of Conduct applicable to Directors and Employees of the Company and policies such as Insider Trading Code, Insider Trading Fair Disclosure Code and Policy on Materiality of and dealing with Related Party Transactions required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 have been complied with.

These Policies, the Code of Conduct, and other policies/codes as referred to above are available on the Company's website www.vtmill.com

ISO and 5SCertification

The Company's factory at Sulakarai, Virudhunagar, Tamil Nadu has been certified ISO for Quality Management System Standard and also holds a 5S Certification from AOTS Alumni 5S Forum of India and GOTS Certification for the manufacture of organic cotton fabrics.

Segment wise performance

The Company is primarily a manufacturer of textile products and is managed organizationally as a single unit. Accordingly, the Company is a single business segment company. The geographical (secondary) segment has been identified as domestic and export sales as detailed below:

Particulars	Amount (Rs. lakhs)	% of Turnover
Export Sales	23003.63	61.84



Domestic Sales	14194.5	38.16
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Industry Structure & Developments, Opportunities & Threats, Outlook, Risks & Concerns

Despite global uncertainties, the outlook remains cautiously optimistic. Your Directors believe that continued policy support and demand revival will provide a positive environment for sustainable growth in the coming year. The company has a strong customer base and consistent product quality, operational capabilities provide confidence in sustaining business growth and improving the performance in the coming year.

Despite increased manufacturing expenses and high volatility export markets, we hope Our industry may witness certain positive developments. Global buyers are increasingly looking to diversify sourcing bases and ensure supply chain stability, continuity and reduce dependency on sensitive regions. India with its manufacturing strong base, integrated value chain is well positioned to benefit from this shift. Your Directors are optimistic about achieving better results in the coming years.

Due to the higher petroleum crude price as a resultant of Ongoing US – Iran War, the polyester yarn prices have increased. Hence the Management is very optimistic about the demand for Cotton Yarn and Fabrics will be Higher during the year.

The management continues to closely monitor market developments and adopt appropriate strategies in sourcing, pricing operational efficiency to mitigate impact of adverse global conditions.

Board of Directors

The Board is headed by Sri. K. Thiagarajan, Chairman & Managing Director of the Company. During the year under review, there were no changes at the Board level as under:

The Board consists of 9 Directors with one Chairman and Managing Director, five Non-Executive Independent Directors, two Non-Executive Directors and One Woman Non-Executive Director.

As on 31st March, 2026, the Board is comprised of 9 Directors out of which 1 Director is Executive-Chairman & Managing Director, 3 Directors are Non-Executive including one Woman Director, 5 Directors are Non-Executive Independent. The composition of the Board conforms with the requirements of Regulation 17 of the Listing Regulations, and SEBI (LODR) Regulations 2015. All Directors are competent and experienced personalities in their respective fields.

Number of Board Meetings

During the year under review, Eight Board Meetings were held on 16-04-2025, 29-05-2025, 12-06-2025, 04-08-2025, 10-11-2025 ,15-12-2025, 14-01-2026 & 12-02-2026. The maximum interval between any two consecutive Board Meetings did not exceed 120 days.

The details of number and dates of meetings held by the Board and its Committees, attendance of Directors and remuneration paid to them is given separately in the attached Corporate Governance Report.

The sitting fees paid to the Non-Executive Directors are within the limits prescribed under the Companies Act, 2013 and Rules thereon.

Retirement of Directors by Rotation

Sri V. Kasinathan, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment as a Director of the Company. He is proposed to be re-appointed as a Director of the Company. The details of the proposed re-appointment of Sri V. Kasinathan are forming part of the Corporate Governance report.

Non-Executive Independent Directors

The Non-Executive Independent Directors have confirmed and declared that they are not disqualified to act as a Non-Executive Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Non-Executive Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Non-Executive Independent Directors. All the Non-Executive Independent Directors have convened a meeting on 12.02.2026._

To comply with the amended regulations as provided in Regulation 17(10) of the SEBI (LODR) Regulations, the Board reviewed the evaluation process by applying the provisions of Section 149 and Schedule IV to the Companies Act and the regulations as provided under the SEBI Regulations in respect of the Independent Directors of the Company with the following criteria:

- The performance of the Independent Directors.
- Fulfillment of the independence criteria as specified under the Companies Act, 2013 and regulations under SEBI Regulations.
- The process of evaluation stating the objectives, criteria for evaluation.
- Periodic review of the evaluation process.

The Independent Directors who attended the meeting of the Board did not participate in the discussion in respect of the evaluation of the Independent Director. There was sufficient quorum excluding the Independent Directors during the time of evaluation.

Declaration by Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to qualify themselves to act as Independent Directors under the provisions of the Companies Act, 2013 read with the relevant rules made thereunder. Further, they have also declared that they are not aware of any circumstance or situation, that exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Independent Directors have also confirmed that they have complied with the Company’s Code of Business Conduct & Ethics.

Code of Conduct

All Directors, Key Managerial Personnel and Senior Management of the Company have



confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company. The Code of Conduct is available on the Company's website www.vtmill.com. All Directors have confirmed compliance with provisions of Section 164 of the Companies Act, 2013.

Director's Responsibility Statement

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, and the provisions as referred in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the preparation of the annual accounts for the year ended on 31st March 2026 and state that :

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. The Directors have 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;
- iv. The Directors have prepared the annual accounts on a going concern basis;
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and the Company has adopted proper policies and procedures for ensuring orderly and efficient conducting of the business:
 - a) The management designed and implemented policies with respect to adherence to accounting standards as a general requirement applied by a Company in preparing and presenting financial statements.
 - b) The management evolved a sound system for regular evaluation of the nature and extent of the risks to which the Company is exposed and to control risk appropriately.
 - c) The Board ensured the effective financial controls, including the maintenance of proper accounting records and the Company is not unnecessarily exposed to avoidable financial risks. They also contribute to the safeguarding of assets, including the prevention and detection of fraud. The financial information used within the business and for publication is reliable.
- vi. The Directors had devised a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Key Managerial Personnel

The following persons have been appointed as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013:

- a) Sri K. Thiagarajan, Chairman and Managing Director.
- b) Sri P. Senthil Kumar, Chief Financial Officer.
- c) Smt K. Preyatharshine, Company Secretary.

Corporate Governance

The Company has in place the SEBI guidelines pertaining to Corporate Governance. During the year under consideration, the Company had Nine-member Board of Directors consisting of one Chairman and Managing Director, five Non-Executive Independent Directors, and three Non-Executive Directors of which one is a Woman Director.

The Corporate Governance Report giving the details as required under Regulation 34(3) read with Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given separately as Annexure I and forms part of this Report of the Directors. The Corporate Governance Certificate for the year ended on March 31, 2026 issued by M/s. CNGSN & Associates LLP, Auditors of the Company, is also attached as part of Annexure I and forms a part of this Report of the Directors.

The Company has formulated the Insider Trading Code and Insider Trading Fair Disclosure Code in terms of Regulation 9 read with Schedule B and Regulation 8 read with Schedule A of SEBI (Prohibition of Insider Trading) Regulations, 2015 respectively, and provided in the company's website at www.vtmill.com. Smt K. Preyatharshine, Company Secretary, is the Compliance Officer responsible for compliance with the Insider Trading procedures. As there was no insider trading in the securities of the company, the company has not reported any Insider Trading details to the Stock Exchange.

Sri K. Thiagarajan, Chairman and Managing Director of the Company has given his certificate under Regulation 17(8) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the annual financial statements for the year ended on 31st March 2026 to the Board of Directors which is attached as Annexure IX. The Chairman has given his certificate under Regulation 34(3) read with Part D of Schedule V of the above-mentioned Regulations in compliance with the Code of Conduct of the Company for the year ended March 31, 2026, which is attached as Annexure VIII and forms a part of this Report of the Directors.

Audit Committee

The Audit Committee consists of three Independent Directors and satisfies the provisions of Section 177(2) of the Companies Act, 2013. The Audit Committee comprised of Mr. M. Anbukani as Chairman, Mr. Ganesh Ananthakrishnan, and Mr. L. Sevugan as Members, and all are Independent Directors.

The Company Secretary is the Secretary of the Committee. The details of all related party transactions are placed periodically before the Audit Committee. During the year there



were no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism, details of which are available on the Company's website www.vtmill.com

The Audit Committee has also been delegated the responsibility for monitoring and reviewing risk management assessment and minimization procedures, implementing and monitoring the risk management plan, and identifying, reviewing, and mitigating all elements of risks to which the Company may be exposed.

The Audit Committee is empowered with monitoring the appointment of Key Managerial Personnel.

The details of terms of reference of the Audit Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

Whistle Blower Policy / Vigil Mechanism

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has formulated a Vigil Mechanism / Whistle Blower Policy to enable Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and/or reputation, securely and confidentially. The said policy provides adequate safeguards against the victimization of Directors/employees and direct access to the Chairman of the Audit Committee, in exceptional cases. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company under the web link <https://www.vtmill.com>. Your Company affirms that no personnel of the Company has been denied access to the Chairman of the Audit Committee and no complaint has been received during the year under review.

Evaluation of the Board's performance, Committees of the Board, and Individual Directors

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the annual evaluation of its performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees.

The Board reviewed and evaluated its performance from the following angles:

- Company Performance
- Strategy and Implementation
- Risk Management
- Corporate ethics
- Performance of the Individual Directors
- Performance of the Committees viz., Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee.

The Board also evaluated the performance of the above-referred Committees and concluded that the Committees continued to operate effectively, with full participation from all members and executive management of the Company.

Board upon evaluation considered that the Board is well balanced in terms of diversity of experience. The Board noted that all Directors have understood the opportunities and risks

to the Company's strategy and are supportive of the direction articulated by the management team towards improvement. Corporate responsibility, ethics, and compliance are taken seriously, and there is a good balance between the company's core values and shareholders' interests.

The Directors also expressed their satisfaction in all the above areas considering the Company's performance in all fronts viz., New Product Development, Sales and Marketing, International business, Employee relations, and compliance with statutory requirements.

The evaluation results have been communicated to the Chairman of the Board of Directors.

Related Party Transactions

During the year 2023-24, and 2025-26 the company has entered into contracts or arrangements for five years from 01.04.2024 to 31.03.2029 with such number of related parties with the approval by the Board of Directors and the members of the company at the Annual General Meeting wherever necessary in respect of the following:

1. Sale, purchase or supply of any goods or materials
2. Selling or otherwise disposing of, or buying, property of any kind
3. Leasing of property of any kind
4. Availing or rendering of any services
5. Obligations

In the current period, due to the exigencies that, when the limits exceed, the company can carry out the transactions only with the prior approval of the members at the General Meeting, and hence the company has to carry out the transactions with the related party regularly which may exceed the limits specified in the Rules, it would be appropriate to obtain consent from the members of the company to carry out the transactions with related parties. Therefore for the approval of the related party transactions, the members approval is sought, in the Annual General Meeting of the company held on 03.07.2023 for five years from 01.04.2024 and on 19.12.2025 for the period up to 31.03.2029

The details in respect of the material contracts or arrangements or transactions on arm's length basis carried on with the related parties have been furnished in Annexure V.

Corporate Social Responsibility Committee

The Company established CSR Committee on 24th April 2014. The CSR Committee was charged with the responsibility to discharge functions related to CSR activities to be carried out as per Schedule VII of the Companies Act 2013 and the amendments made thereon. As per the notification issued by MCA, there is no necessity to form CSR Committee if the prescribed CSR expenditure does not exceed Rs.50 Lakhs in the year, the Board of Directors can discharge the CSR committee functions and activities. Therefore CSR Committee was disbanded and future review of CSR obligations, including progress monitoring, coordination with implementing agency, etc., came under the purview of the Board of Directors on and from 01.04.2021.

The Board at its meeting held on 12.02.2026 formed CSR Committee with Smt Uma Kannan,

Sri M Anbukani and Sri L Sevugan as its members

The CSR Policy, which was approved by the Board and committee, is available on the Company's website.

The Company has decided to spend CSR funds for ongoing projects, if any that can be completed within two years and other than on-going projects also. As per the latest CSR Amendment Rules, the ongoing project has to be undertaken only by the Registered Trust or Society or a Section 8 company having Certificate Under Section 12A and 80G of Income Tax Act 1961. The KKTCMCT, a registered Trust had been registered with MCA having Regn No : CSR00003093.

The Company has spent Rs.27.75 Lakhs this year for the ongoing projects through the implementing agency, Kalaithanthai Karumuttu Thiagaraja Chettiar Memorial Charitable Trust (KKTCMCT) and directly.

The CSR policy is available on the Company's website www.vtmill.com

Prevention of Sexual Harassment

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee with ten employees and a NGO representative. The Board also has approved the prevention of Sexual Harassment Policy and all employees especially women employees were made aware of the Policy and the manner in which complaints could be lodged. The Committee has submitted its Annual Report and the same has been approved by the Board.

The following is reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

1.	No. of Complaints of sexual harassment received	NIL
2.	No. of Complaints disposed off during the year	NIL
3.	No. of cases pending for more than ninety days	NIL
4.	No. of awareness programme conducted	6
5.	Nature of action taken by the employer	Not Applicable

Maternity Benefit Policy:

The Company is committed to providing a supportive and inclusive work environment for its employees. In compliance with the provisions of the Maternity Benefit Act, 1961, as amended, the Company extends maternity benefits to eligible women employees, including paid maternity leave and other related benefits as prescribed under the applicable laws.

The Company believes in promoting gender diversity and employee well-being and continues to provide a conducive workplace that supports employees during maternity and child-care responsibilities. During the year under review, the Company complied with all applicable provisions relating to maternity benefits.

Nomination and Remuneration Committee

A Nomination and Remuneration Committee was constituted on April 24, 2014 and, as on 31st March, 2026, after the reconstitution of the Committee in this year, now Sri Ganesh Ananthakrishnan is the Chairman, an Independent Director, Sri K. Thiagarajan, Sri L. Sevugan and Sri M. Anbukani, are Members of the Committee. The constitution satisfies the provisions of Section 178 of the Companies Act, 2013 as well as the SEBI Regulations. The Company Secretary is the Secretary of this Committee.

During the financial year ended March 31, 2026, the meeting was convened on 10.11.2025 and 15.12.2025.

The Company's Remuneration Policy is available on the Company's website www.vtmill.com and annexed as forming part of this report as Annexure X.

The details of terms of reference of the Nomination and Remuneration Committee are given separately in the attached Corporate Governance Report.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee now consists of Sri T. N. Ramanathan as Chairman, Sri K. Thiagarajan, and Sri V. Kasinathan as Members. The Company Secretary is the Secretary of the Committee as per Regulation 20 of the SEBI (LODR) Regulations, 2015, to have three Directors as Members of the Committee with one Independent Director Member. The Committee met once during the year on 12.02.2026.

The Committee has delegated the responsibility for share transfers and other routine share maintenance work to the Company Secretary and to M/s. KFin Technologies Limited the Registrars and Share Transfer Agents of the Company. All requests for dematerialization and rematerialization of shares, transfer or transmission of shares, and other share maintenance matters are completed within 30 days of receipt of valid and complete documents. The Committee also reports to the Board on issues relating to the shareholding pattern, shareholding of major shareholders, insider trading compliances, movement of share prices, redressal of complaints, Reports on SCORES of SEBI and all compliances under the Companies Act, 2013, and the listing agreement with Stock Exchanges.



The shares of the Company are listed on the Bombay Stock Exchange. The Company's shares are compulsorily traded in the dematerialized form. The ISIN number allotted is INE222F01029. The details of shareholding patterns, distribution of shareholding, and share prices are mentioned separately in the attached Corporate Governance Report.

Transfer to Investor Education & Protection Fund

Transfer of shares:

The company's Stakeholder relationship committee has already transmitted 864000 equity shares of the company into DEMAT account of the IEPF Authority held with NSDL (DP ID Client ID IN300708-10656671) in terms of Provisions of Section 124(6) of the companies Act 2013, and the related Rules. During the year the Company has transmitted 65900 shares to the IEPF. The complete list of such shareholders, whose shares were due for transfer to IEPF in current year is also placed in the website of company.

Statutory Auditors:

Auditors

In terms of Section 139 of the Companies Act and the rules made thereon, M/s CNGSN & Associates LLP, Chartered Accountants, Chennai (Firm Regn. No. 004915S/S200036) have been appointed as Auditors of the Company by the members at their meeting held on 23rd June 2017 and the Auditors have been appointed for five years from the conclusion of 70th Annual General Meeting till the conclusion of the 75th Annual General Meeting.

Accordingly, their tenure of their appointment was extended at the 75th AGM. Being eligible, the said firm was re-appointed for a further term of five years, till the conclusion of the 80th AGM.

The Auditors have already submitted certification u/s. 141 of the Companies Act and Peer Review Certificate in respect of their appointment as Auditors of the Company.

AUDITORS

Auditors' Report

The Notes to the financial statements referred in the Auditors Report are self-explanatory. There are no qualifications or reservations or adverse remarks or disclaimers given by Statutory Auditors' of the Company and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Audit Reports and Certificates

A Secretarial Audit was conducted during the year by the Secretarial Auditor, Mr. S. Ramalingam, Practicing Company Secretary, in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report along with the Annual Secretarial Compliance Report (as required under the amended SEBI Regulations) has been obtained and is attached as Annexure II and forms a part of this Report of the Directors. There are no qualifications or observations or remarks made by the Secretarial Auditor in his Report.

Cost Auditor and Cost Records

Pursuant to the provisions of Section 148 (1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company was required to maintain cost records. Accordingly, the Company has duly made and maintained the Cost Records as mandated by the Central Government.

The Board of Directors had approved the appointment of Sri A. N. Raman, Cost Accountant as the Cost Auditor of the Company to audit the Company's Cost Records for the year 2026-27, at a remuneration of Rs.70,000/- plus applicable taxes and out-of-pocket expenses.

The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

Fixed Deposits

The Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

The company does not have any deposit which is not in compliance with the Companies Act, 2013.

Loans, guarantees and investments

The Company has not granted any inter-corporate loan, given guarantee or provided security for availing loan by any other company. However the company has invested its funds in such number of companies and in such number of shares and securities in other bodies corporate as referred to in Notes No. 07 and 12 of the Balance Sheet.

In compliance with Section 186 of the Companies Act, 2013, loans to employees bear interest at applicable rates.

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

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 attached as Annexure IV and forms a part of this Report of the Directors.

Particulars of Employees

The prescribed particulars of Employees required under Section 134(3)(q) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure VI and forms a part of this Report of the Directors. There are no employees drawing remuneration more than Rs.102 Lakhs per annum or Rs.8,50,000/- per month.



Statement On Compliance with Secretarial Standards

The Directors have devised systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate, and operating effectively. The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

Annexures forming a part of this Report of the Directors

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors :

- I. Corporate Governance Report along with Certificate on Corporate Governance by the Auditor of the Company.
- II. Secretarial Audit Report
- III. Extract of the Annual Return in Form MGT-9 – Web link.
- IV. Particulars on Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo.
- V. Form AOC-2 for material contracts with Related Parties.
- VI. Ratio of remuneration and Particulars of Employees.
- VII. Annual Report on CSR spending.
- VIII. Chairman & Managing Director’s Certificate under Regulation 34(3) read with Part D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on compliance of the Code of Conduct.
- IX. Certificate by Chairman and Managing Director and Chief Financial Officer under Regulation 17(8), of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Financial Statements.
- X. Remuneration Policy.

Appreciation

Your Directors record their sincere appreciation of the dedication and commitment of all employees in achieving and sustaining excellence in all areas of the business. Your Directors thank the Shareholders, customers, suppliers, and Bankers, and all other stakeholders for their continuous support to the Company.

For and on behalf of the Board of Directors

Kappalur. Madurai.
May 22, 2026.

K. THIAGARAJAN
CHAIRMAN AND MANAGING DIRECTOR
(DIN:03638370)

Annexure I: Corporate Governance Report 2025-26

THE COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The corporate governance framework of the company is led by the following practices:

Corporate Governance is about meeting our goals responsibly and transparently while being accountable to our stakeholders. Our company’s governance considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability, and commitment to values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, the value chain, the community, investors, and the Government.

The Company, in addition to compliance with regulatory requirements, also endeavours to ensure high standards of ethical conduct in the Organization.

- 1. A Report on Corporate Governance is given below and Auditor’s certificate in compliance with the provisions of Corporate Governance is enclosed separately.
- 2. BOARD OF DIRECTORS
- 2.1. Composition and Category of Directors:

The Board of Directors as of 22nd May 2026 consists of Nine Directors: One Executive Director, Three Non-Executive Directors, and Five Independent Directors, and thus it complies with SEBI Regulations. The details of the composition of the Board of Directors are as follows:

Name of the Director	Category	Particulars
Sri K.Thiagarajan	Chairman and Managing Director	Executive Director
Dr.(Smt.) Uma Kannan	Director	Non-Executive Woman Director
Sri. V.Kasinathan	Director	Non-Executive Director
Sri RM.Somasundaram	Director	Non-Executive Director
Sri T.N.Ramanathan	Director	Independent Director
Sri Ganesh Ananthakrishnan	Director	Independent Director
Sri M.Anbukani	Director	Independent Director
Sri L.Sevugan	Director	Independent Director
Sri C.R.Venkatesh	Director	Independent Director



During the financial year, the composition of the Board was not changed.

2.2. **Details of the Directors**

The current composition of the Board of Directors complies with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and the provisions of the Companies Act, 2013.

In the present Board, Sri. K. Thiagarajan, Chairman & Managing Director, Dr.(Smt.) Uma Kannan are related to each other.

None of the Directors on the Board is a member of more than 10 Committees as per the requirements of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. Necessary disclosures have been made by the Directors in this regard.

The Board meets at least once a quarter to review the performance of the Company and also meets as and when to transact any special business that may arise.

Sri V.Kasinathan, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment as a Director of the Company. He is proposed to be re-appointed as a Director of the Company. The personal information about Sri. V.Kasinathan is given as below:

Mr. V. Kasinathan was appointed as Additional Director of the Company on 11th September, 2023 and then was regularized in the EGM. He holds a Bachelor's Degree in Commerce and currently serves as the Deputy General Manager (DGM) at Thiagarajar Mills Private Limited. With a longstanding association with the organisation spanning several years, he has grown alongside the company, taking on increasingly critical responsibilities in financial management and strategic investment functions. He is the Director of M/s. Thiagarajar Telekom Solutions Private Limited. As such, he possesses knowledge and experience in Corporate affairs.

Mr. V.Kasinathan does hold 7500 equity shares in the Company.

All Directors have certified that the disqualifications mentioned under sections 164, 167, and 169 of the Companies Act, 2013 do not apply to them. Independent Directors have confirmed that they have complied with the Code for Independent Directors mentioned in Schedule IV of the Companies Act, 2013 and that they are not disqualified to act as an Independent Directors in compliance with the provisions of section 149 of the Companies Act, 2013.

Independent Directors' Criteria

The Board of Directors confirms that the Independent Directors fulfill the criteria in respect of their independency as referred under the provisions of Section 149 and Schedule IV to the Companies Act, 2013 and under the regulations referred to in the SEBI (LODR) Regulations as amended from time to time.

Familiarization Programme: At the time of induction, the Company familiarizes the Independent Directors concerning their role & responsibilities, industry outlook, business strategy, Company's operations, etc. Thereafter, the Independent Directors are provided with necessary documents, reports, internal policies, and updates to familiarise them with the Company's business, policies, procedures, and practices at various Meetings held during the year.

2.3. **Code of Conduct**

The Code of Conduct laid down by the company, which has been adopted by the Board of Directors, applies to the Directors and all employees of the Company. This Code of Conduct emphasizes the Company's commitment to compliance with the highest standards of legal and ethical behaviour. The Code of Conduct is available on the website of the Company www.vtmill.com under the heading 'Investor Information, General Disclosures'. All Directors and senior management have adhered to the Code of Conduct of the Company during the year and have signed declarations of compliance to the Code of Conduct. The declaration signed by Chairman and Managing Director, is given separately in the Annual Report.

2.4. **List of skills/expertise or competence of the Board of Directors**

The Board comprises Members who have varied skills, experience, and knowledge to effectively govern and direct the organization. The skills and attributes of the Board can be broadly categorized as follows:

- Governance skills (skills directly relevant to performing the Board's varied functions, including key functions).
- Industry skills (Skills relevant to the Textile industry);
- Financial skills (Skills relevant to Finance, Treasury, and Banking Management).
- Accounting skills (Skills relevant to Accounting Functions).
- Administrative skills (Skills relevant to administrative functions).

Details of listed entities where the Directors of the Company are Directors and category of Directorship:

Directors	Listed Entities	Category of Directorship
-	-	-

2.5. **Shareholding of Directors and Key Managerial Personnel**

As of March 31, 2026 the following shares of the Company were held by Directors:

Name	Designation	No. of shares
Sri. K. Thiagarajan	CMD	1848000
Sri RM. Somasundaram	Director	150000
Sri V. Kasinathan	Director	7500

No other Director or Key Managerial Personnel holds any shares in the Company.

2.6. **Board Meetings, Annual General Meeting and Attendance**

During the year under review Board Meetings were held and sitting fees have been paid to the Directors as detailed herein:-

Director Name	Rupees								Total
	16.04.25	29.05.25	12.06.25	04.08.25	10.11.25	15.12.25	14.01.26	12.02.26	
K. Thiagarajan	-	-	-	-	-	-	-	-	-
Uma Kannan	5000	5000	5000	5000	5000	5000	5000	5000	40000
RM.Somasundaram	5000	5000	-	5000	5000	-	5000	-	25000
Kasinathan V	-	5000	5000	5000	-	-	-	5000	20000
M. Anbukani	5000	5000	5000	5000	5000	5000	5000	5000	40000
T.N.Ramanathan	-	-	-	-	-	-	-	-	-
Ganesh AnanthaKrishnan	5000	5000	-	-	5000	5000	5000	5000	30000
L.Sevugan	5000	5000	5000	5000	5000	-	5000	5000	35000
CR.Venkatesh	5000	-	-	-	5000	5000	5000	5000	25000
TOTAL	30000	30000	20000	25000	30000	20000	30000	30000	215000

No sitting fees were paid to Sri K. Thiagarajan, Chairman and Managing Director and Mr. T.N. Ramanathan, Independent Director.

Smt K. Preyatharshine, Company Secretary of the Company has attended all meetings.

2.7. **Board Committees**

In line with the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations (LODR) 2015, the Company has constituted an Audit Committee, a Nomination and Remuneration Committee, CSR Committee and a Stakeholders Relationship Committee.

These Committees' composition, terms of reference, attendance, and other details are mentioned later in this Report.

2.8. **Directorships and Committee membership in other companies**

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees [as specified in Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015] across all listed companies in India of which he/she is a Director.

Independent Directors do not serve in more than 7 listed companies. None of the Independent Directors are whole-time directors in any listed Company.

Directorships and Membership of Committees in other companies held by Directors as on March 31, 2026 and the Attendance of the Directors at the Board meetings and the Annual General Meeting is given below:

Names of the Directors	Category	No. of Board Meetings attended in VTM	Attendance at the last AGM held on 02.07.25	No. of Other Directorships in other companies	No. of memberships in Board Committees in VTM	Whether Chairman/Member
Thiru K. Thiagarajan	NED	8	√	5	2	Member
Dr.(Smt.) Uma Kannan	NED	8		4	1	
Thiru RM. Somasundaram	NED	5		2	-	
Thiru T.N.Ramanathan	NEID	5	√		1	Chairman
Thiru Ganesh Ananthakrishnan	NEID	6		3	2	Member
Thiru L.Sevugan	NEID	7		1	3	Member
Thiru CR.Venkatesh	NEID	5		2	-	
Thiru M.Anbukani	NEID	8		4	3	Chairman
Thiru V.Kasinathan	NED	4		2	1	Member

ID: Independent Director VTM – VTM LIMITED

NED-Non Executive Director. NEID-Non Executive Independent Director.

Note:

- Sri K Thiagarajan, Chairman and Managing Director and Thiru.TN.Ramanathan, Director have attended the Annual General Meeting held on 02.07.2025.

3. **AUDIT COMMITTEE**

- Constitution and Composition: The Audit Committee was constituted during the financial year 2001-2002, and reconstituted in view of the changes in Independent Directors in 2022-23. Accordingly, the Audit Committee composition has been as under:

From 1-4-2022 till 18-09-2022 Consist following Directors

Director	Category
Thiru A. Mariappan	Chairman
Thiru Ganesh Ananthakrishnan	Member
Thiru L.Sevugan	Member

From 19-09-2022 till 28-10-2022, Consist following Directors

Director	Category
Thiru Ganesh Ananthakrishnan	Member
Thiru L.Sevugan	Member
Thiru CR.Venkatesh	Member

From 28-10-2022* Consists of the following Directors

Director	Category
Thiru M.Anbukani	Chairman
Thiru Ganesh Ananthakrishnan	Member
Thiru L.Sevugan	Member

*from end of the meeting

There is no change in the composition of the Audit committee. The Chairman and Managing Director is the permanent invitee to all meetings. The Company Secretary is the Secretary to the Audit Committee. All Directors are financially literate, and Mr. M. Anbukani, Independent Director, has expertise in industry-related financial management. Besides, Mr.Ganesh Ananthakrishnan also has sound finance experience and industrial knowledge (including software). Mr. L. Sevugan has industry experience. The Statutory Auditors are invited to the meetings to discuss with the Directors the scope of the audit, their comments, and recommendations on the accounts, records, risks, internal procedures, and internal controls of the Company.

- 3.2. **Terms of Reference:** The terms of reference of the Audit Committee cover all the areas mentioned under Part C of the Schedule II to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013. The Board has also included in the terms of reference of the Audit Committee, the monitoring, implementing and review of risk management plan as required under Regulation 18 and as per Part C (Role of Audit committee) of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Audit Committee therefore include the whole review of financial reporting process and all financial results, statements and disclosures and recommending the same to the Board, reviewing the internal audit reports and discussing the same with the Internal auditors, reviewing internal control systems and procedures, to meet the statutory auditors and discuss their findings, their scope of audit, Post audit discussion, adequacy of internal audit functions, audit qualifications, if any, appointment / removal and remuneration of auditors, changes in accounting policies and practices including Ind AS, reviewing approval and disclosure of all related party transactions, reviewing with the management, the performance of the statutory and internal auditors and their remuneration, compliance with listing agreements/ SEBI(LODR) Regulations, and other legal requirements and the Company's financial and risk management plan and policies and its implementation, disaster recovery policies and compliance with statutory requirements.

- 3.3. **Internal Audit:** The Internal Audit of the Company is carried out by M/s. GSN & Associates, Chartered Accountants, Coimbatore, periodically and they interact with Statutory auditors for the Company's audit matters.

- 3.4. **Attendance:** During the financial year ended March 31, 2026, Five meetings of the Audit Committee were held :

Director Name	Rupees						Total
	16.04.25	29.05.25	04.08.25	10.11.25	15.12.25	12.02.26	
Ganesh Ananthakrishnan	-	5000	-	-	-	-	5000
L.Sevugan	5000	5000	5000	5000	5000	5000	30000
M.Anbukani	5000	5000	5000	5000	5000	5000	30000
TOTAL	10000	15000	10000	10000	10000	10000	65000

4. **Remuneration to Directors**

Total Remuneration paid to Non-Executive Directors for attending meetings of the Board and Committees during the year ended March 31, 2026 is given below :

Name of the Director	Sitting Fees
	(For Board & Committee Meetings)
Thiru K.Thiagarajan, CMD	---
Dr.(Smt.) Uma Kannan	Rs.40000/-
Thiru RM. Somasundaram	Rs.25000/-
Thiru V.Kasinathan	Rs.25000/-
Thiru T.N.Ramanathan	---
Thiru Ganesh Ananthakrishnan	Rs.40000/-
Thiru L.Sevugan	Rs.75000/-
Thiru M.Anbukani	Rs.85000/-
Thiru CR.Venkatesh	Rs.30000/-

5a. **NOMINATION AND REMUNERATION COMMITTEE**

Constitution and Composition: The Nomination and Remuneration Committee was constituted on April 25, 2014 in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Sri. Ganesh Ananthakrishnan, an Independent Director, is the Chairman of the Committee. The other members were Sri.T.Kannan and Sri.M.Anbukani.

The committee was reconstituted after the demise of Mr T Kannan.

From 14-06-2023 Consists of the following Directors

Director	Category
Thiru M.Anbukani	Chairman
Thiru Ganesh Ananthakrishnan	Member
Thiru L.Sevugan	Member
Thiru K. Thiagarajan	Member

Terms of Reference: The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Schedule II Part D of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating to remuneration and employment, terms of Whole Time Directors and senior management personnel, adherence to the remuneration/employment policy as finally approved by the Board of Directors, preparing the criteria and identify persons who may be appointed as Directors or Senior Management of the Company, preliminary evaluation of every Director's performance, Board diversity, compliance of the Code for Independent Directors referred to in Schedule IV of the Companies Act, 2013, compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non-compliances to the Board of Directors, recommending draft of the report required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which will form part of the Directors Report to Shareholders, monitor loans to employees and any other matters which the Board of Directors may direct from time to time.

During the financial year ended March 31, 2026, there were one meeting as below:

Director Name	10.11.2025 (Rs.)	10.02.2025 (Rs.)	Total (Rs.)
Ganesh Ananthakrishnan	-	-	
M.Anbukani	5000	5000	10000
L.Sevugan	5000	-	5000
K.Thiagarajan	-	-	-
TOTAL	10000	5000	15000

Remuneration Policy: During the year, the Committee reviewed the Nomination and Remuneration Policy and as recommended by the Nomination and Remuneration Committee, the policy has been approved by the Board of Directors.

The terms of reference of the Committee inter alia, include the following:

Succession planning of the Board of Directors, and Senior Management Employees.

Identifying and selecting of candidates for appointment as Directors/ Independent Directors based on certain laid down criteria; identifying potential individuals for Senior Management positions.

Formulate and review from time to time, the policy for the selection and appointment of Directors, Key Managerial Personnel, and senior management employees and their remuneration.

Review the performance of the Board of Directors and Senior Management Personnel based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable to attract, retain good managerial talent.

Remuneration to Directors:

Sri K.Thiagarajan, the Chairman and Managing Director of the company is entitled to a remuneration not exceeding 5% of the Net Profits as computed u/s. 198 of the Companies Act, 2013, and accordingly a sum of Rs.50.00 lakhs has been provided as remuneration for the year 2025-26.

The Non-Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. They are also entitled to a commission not exceeding 1% of the net profits of the Company.

5b. Corporate Social Responsibility Committee:

The Company established the CSR Committee on 24th April 2014. The CSR Committee was charged with the responsibility to discharge functions related to CSR activities to be carried out as per Schedule VII of the Companies Act 2013 and the amendments made thereon. As per the notification issued by MCA, there is no necessity to form a CSR Committee if the prescribed CSR expenditure does not exceed Rs.50 Lakhs in the year, the Board of Directors can discharge the CSR Committee functions and activities. Therefore CSR Committee was disbanded and future review of CSR obligations, including progress monitoring, coordination with implementing agency, etc, came under the purview of the Board of Directors on and from 01.04.2021. After that, in the year 2026 CSR committee was formed with 3 Directors to take care of the Policies and activities. The members are Smt Uma Kannan, Mr. M Anbukani and Mr L Sevugan.

The CSR Policy, which was approved by the Board, is available on the Company's website.

Separate Meeting of Independent Directors:

The Independent Directors of the company Mr. M.Anbukani, Mr Ganesh Ananthakrishnan, Mr C R Venkatesh, and L. Sevugan met on 12th February 2026 without the attendance of Non-Independent Directors and members of management. They deliberated and reviewed the performance of the Non-Independent Directors and the Board as a whole. Besides they assessed the quality, quantity, and timeliness of the flow of information between the Company management and the Board members that is essential for the Board to effectively and reasonably perform their duties.

SHARES:

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee considered and reviewed the Terms of Reference of the Committee taking into account the additional role of SRC as amended under Schedule II Part D(B) of the SEBI (LODR) Regulations, 2015.

Constitution and Composition: The Stakeholders Relationship Committee has been reconstituted in terms of Regulation 20 of the SEBI (LODR) Regulations duly amended consisting of Sri T.N. Ramanathan an Independent Director as Chairman and Sri T. Kannan and Sri K. Vethachalam as Members of the Committee. The committee was reconstituted after the demise of Mr T Kannan.

The committee consists of the following Directors

Director	Category
Thiru T N Ramanathan	Chairman
Thiru K Thiagarajan	Member
Thiru V Kasinathan	Member

The committee met once during the year at 12.02.2026. The Stakeholders' Relationship Committee has approved during the year, the transfers, transmissions, and demat requests. Smt K Preyatharshine, Secretary of the Company, is also the Secretary and Compliance Officer for the Committee.

During the year twenty grievances regarding non-receipt of shares applied for transfer/ transmission, non-receipt of dividend, Balance Sheet and related matters, KYC Update, Name Change Request, IEPF Claim were received from the shareholders. Except one all the other queries were redressed and resolved. No shares were pending for transfer at the close of the year.

Reconciliation of Share capital audit:

Mr. S. Ramalingam, PCS (CP Number:23495) carries out the Reconciliation of the Share capital audit as mandated by SEBI, and reports on the Reconciliation of total issued and Listed capital, and that of total capital admitted/held in Demat form with CDSL, and NSDL, and those held in physical form. This audit is carried out every quarter, and the report thereon is submitted to stock exchanges, and also placed before the Board.

Information on Unclaimed Dividend:

The company till the ended financial year 2026, has transmitted 864000 equity shares of the company into the DEMAT account of the IEPF Authority held with NSDL (DP ID Client ID IN300708-10656671) in terms of Provisions of Section 124(6) of the companies Act 2013, and the related IEPF Rules. These equity shares were the shares of holders whose unclaimed dividends pertaining to the earlier years, had been transferred to IEPF and who had not encashed their dividends for seven subsequent financial years. The company during the year ended 2026, has transmitted 65900 equity shares of the company into DEMAT account of the IEPF Authority held with NSDL (DP ID Client id IN300708-10656671) in terms of Provisions of Section 124(6) of the companies Act 2013, and the IEPF rules, relating to year 2014-15, totalling 864000 shares in the above said NSDL demat account(DP ID Client id IN300708-10656671).

The Company intimated through individual reminders to concerned shareholders advising them to encash their dividend, for the unclaimed period, before the transfer of the shares to the Fund.

The Company will be intimating through individual reminders to concerned shareholders advising them to encash their dividend and the complete list of such shareholders, whose shares will be due for transfer to IEPF during 2026-27 and it has been placed on the website of the company.

Under provisions of the Companies Act 2013, Company is committed to making timely payments of dividends.

Particulars	Year Relating to	Amount (Rs.)
Unclaimed dividend	2018-19	1475693.1
Unclaimed dividend-Int	2019-20	1072333.8
Unclaimed dividend	2020-21	812809
Unclaimed dividend	2021-22	913905.3
Unclaimed dividend	2022-23	765787.6
Unclaimed dividend Int	2023-24	246890
Unclaimed dividend Int	2024-25	295653
Unclaimed dividend	2024-25	2434719.25

Distribution of Shareholding as on 31.03.2026:

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 500	4943	72.28	534175	0.53
501 – 1000	465	6.80	365291	0.36
1001 - 2000	466	6.81	649950	0.65
2001 - 3000	304	4.45	794776	0.79
3001 - 4000	99	1.45	356803	0.35
4001 - 5000	68	0.99	328818	0.33
5001 – 10000	203	2.97	1472546	1.46
10001 – 20000	130	1.90	1851652	1.18
2001 and above	161	2.35	94214989	93.68
Total	6839	100.00	100569000	100.00

Shareholding pattern as on 31st March 2026:

Category	No. of Holders	Total Shares	% To Equity
PROMOTERS	3	6,61,38,000	65.76
RESIDENT INDIVIDUALS	6587	1,66,81,307	16.59
PROMOTERS BODIES CORPORATE	2	71,00,750	7.06
NRI PROMOTER GROUP	1	21,85,500	2.17
I E P F	1	21,60,000	2.15
BODIES CORPORATES	52	36,41,068	3.62
H U F	111	6,86,300	0.68
ALTERNATIVE INVESTMENT FUND	2	17,64,457	1.75
NON RESIDENT INDIANS	45	1,42,240	0.14
NON RESIDENT INDIAN NON REPATRIABLE	35	69,378	0.07
Total	6839	10,05,69,000	100.00

The Company has not issued any ESOP or ESOS to its Employees / Directors.

Dematerialization of shares:

The shares of the Company have been dematerialized and the unique ISIN number allotted for the Company as under:

ISIN: INE222F01029

Currently, 98.77% of the total shares have been dematerialized.

The Shares held by Promoters have all been dematerialized.

Listing at Stock Exchanges:

Sl.No	Name of the Exchange	Code	Address
1.	Bombay Stock Exchange Ltd	532893	Regd. Office: Floor 25, PJ Towers, Dalal Street, MUMBAI - 400 001

TRADING SYMBOL AT BSE : VTM

Demat ISIN No. : INE222F01029

Exchange : BSE

Share Price movements:**Market price data :**

Month	HIGH Rs.	LOW Rs.
APRIL 2025	228.55	191.45
MAY 2025	259.95	202.10
JUNE 2025	235.25	85.40
JULY 2025	122.65	93.01
AUGUST 2025	101.20	62.30
SEPTEMBER 2025	77.68	57.00
OCTOBER 2025	73.39	55.50
NOVEMBER 2025	96.31	64.03
DECEMBER 2025	80.00	62.89
JANUARY 2026	70.90	53.51
FEBRUARY 2026	103.33	57.96
MARCH 2026	89.40	68.86

The share quotations are stated for the Re 1/- Face value of the company's equity share.

Stock Options: NIL.

Plant Location: Sulakarai, Virudhunagar, Pin: 626 003

- 6.1 Compliance Officer : Smt K Preyatharshine, Company Secretary, is the Secretary and the Compliance Officer and her contact details are given below :

Smt K Preyatharshine,
Company Secretary and Compliance Officer
VTMLimited

Sulakarai,

Virudhunagar-626003

Phone : 0452 -2482595-Ext 549

Email : complianceofficer@vtmill.com

- 6.2 Details of Request/ Grievances from Shareholders:

No. of complaints remaining unresolved

as on 31.03.2025 : 5

No. of Requests received during the year : 20

No. of Requests resolved during the year : 19

No. of unresolved as of 31.03.2026 : 6

7. GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings are given below

Details of the last three Annual General Meetings (AGM).

AGM for the Financial Year ended	Date & Time of AGM
31 st March, 2025	02 nd July 2025 at 11.00 AM
31 st March, 2024	24 th July 2024 at 10.00 AM
31 st March, 2023	03 rd July 2023 at 12.05 PM

All the resolutions set out in the AGM Notice were passed by the Shareholders (e- voting).

The Annual General Meeting was held at the Registered Office of the Company.

- 7.1 Pledge of shares held by Promoters: No pledge has been created by the Promoters on the equity shares held as on March 31, 2026.

- 7.2 Special resolutions:

The ensuing 79th Annual General Meeting to be held on 31st July 2026 no resolution is proposed to be passed by postal ballot.

- 7.2.1 Pursuant to section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and other applicable requirements, voting at the 79th Annual General Meeting will be made through electronic voting. The electronic voting period commences on 26th July, 2026 (9:00 am) and ends on 30th July 2026 (5:00 pm) both days inclusive.

- 7.2.2 Scrutinizer for electronic voting : Mr. S.Ramalingam, Practising Company Secretaries

(C.P No 23495) of Madurai, has been appointed as the Scrutiniser to scrutinize the electronic voting process fairly and transparently and to give his report to the Chairman.

8. DISCLOSURES:

- 8.1 Details of transactions with related parties have been reported in the Notes to Accounts. All the transactions with related parties are at arm's length basis. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and as per Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis.

There were no materially significant transactions with the related parties during the year, that were in conflict with the interests of the company and that require approval of the company in terms of SEBI (LODR) Regulations.

The Transactions with the related parties of a routine nature have been reported as per Ind AS 24 notified under Companies (Indian Accounting Standards) Rules, 2015.

- 8.2 Disclosure of Accounting Treatment: Pursuant to the notification issued by the Ministry of Corporate Affairs dated 16th February 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015 the Company has adopted "Ind AS" with effect from 1st April 2017. Accordingly, the Financial Statements for the year 2025-26 have been prepared in compliance with the Companies (Indian Accounting Standards) Rules, 2015.

- 8.3 Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Ind AS Financial Statements.

- 8.4 There were no instances of non-compliance by the Company or any penalties or strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

- 8.5 The Company has in place an Employee Concern (Whistle Blower) which is also available on the Company's website. No personnel has been denied access to the Audit Committee to lodge their grievances.

- 8.6 All mandatory requirements have been appropriately complied with.

- 8.7 The Management Discussion and Analysis Report forms a part of the Directors' Report.

- 8.8 No presentations were made to institutional investors and analysts during the year.

- 8.9 The Company does not have any Subsidiary or Associate.

- 8.10 There have been no public issues, rights issues, or other public offerings during the past five years. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

- 8.11 Disclosures

a) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013, and the Listing Regulations during the financial year 2025-26 were in the ordinary course of business, and arms arms-length basis and approval of the Audit Committee was also obtained. Necessary disclosures regarding Related Party Transactions are given in the notes to the Financial Statements.

The Board has approved a policy for Related Party Transactions and the same has been uploaded on the website of the Company. The web link thereto is as under <https://www.vtmill.com>

b) Compliance with Indian Accounting Standards (Ind-AS)

In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Indian Accounting Standards (Ind AS). The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements. There is no deviation in following the treatments prescribed in Ind AS in the preparation of financial statements for the year 2025-26.

c) Statutory Compliance, Strictures and Penalties

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties or structures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The Company has obtained an Annual Compliance Certificate for the year ended 31st March 2026 as per SEBI Circular from Mr. S. Ramalingam, B.L.,ACS., Practicing Company Secretary confirming compliance with SEBI regulations.

d) CMD & CFO Certification

The CMD Sri. K. Thiagarajan and CFO Sri. P. Senthil Kumar, has certified to the board about the financial statements and other matters as required by the SEBI Listing Regulations. The certificate is appended as an Annexure to this report. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of the SEBI Listing Regulations.

e) Vigil Mechanism / Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has formulated Vigil Mechanism / Whistle Blower Policy to enable Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance, securely and confidentially. The said policy provides adequate safeguards against victimization of Directors/employees. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company under the web-link <https://www.vtmill.com>

The Company affirms that no personnel of the Company has been denied access to the

Audit Committee to lodge their grievances.

f) Certificate on Non-disqualification of Directors

The Company has obtained a certificate from Mr. S. Ramalingam, Practising Company Secretary confirming that none of the Directors of the Company have been debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such authority from being appointed or continuing as Director of the Company and the same is also attached to this Report.

g) Subsidiaries

The Company does not have a Subsidiary or Associate.

9. MEANS OF COMMUNICATION

9.1 Quarterly results are published in the Business Standard (All India Edition) and the Tamil version thereof in Malai Malar, within the stipulated time (within 48 hours) after the Board meeting where the results are approved as mentioned in the SEBI Regulations. These financial results and quarterly shareholding pattern are electronically transmitted/ Uploaded to the stock exchange and are also uploaded on the Company's website www.vtmill.com.

9.2 Shareholder communication including Notices and Annual Reports are being sent to the email addresses of Members available with the Company and the Depositories. Annual Accounts are sent to Members at least 21 days before the date of the Annual General Meeting.

The Management Discussion and Analysis Report forming part of the Annual Report is enclosed. [Regulation 34 and Schedule V of the Listing SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.]

9.3 The Company's website:

www.vtmill.com makes online announcements of Board Meetings results of the quarterly financial results, announcement of the date of the Annual General Meeting and proposed dividend, and other announcements. Copies of Notices sent to Shareholders are also available on the website, along with the newspaper publication.

9.4 Date of payment of Dividend:

Dividends if declared in the Annual General Meeting will be paid to the shareholders within the stipulated time as per the Act.

9.5 Status of Physical shares-Suspense Escrow demat account:

As per SEBI Notification dated 24th Jan 2022 and SEBI Circular dated 25th Jan,2022 in case the securities holder/claimant fails to submit the demat clearance, as given by the RTA(K Fin technologies Ltd)to the DP within the specified period of 120 days (as per circular dated 1st April 2022) RTA / Issuer Companies shall credit the securities to the Suspense Escrow Demat Account of the Company, exclusively opened by the

Company (as directed by SEBI) for this purpose.

Therefore, due to the above reason and due to the SEBI circular on early conversion of physical shares into Demat shares, the physical shareholders shall have to adhere to the timeline and also dematerialize their shares as early as possible.

9.6 Address for communication :

All communication regarding share transactions, change of address, bank mandates, nominations, etc. should be addressed to the Company and the Registrars and Share Transfer Agents of the Company at the following address :

Registrar & Transfer Agent:
KFin Technologies Ltd.
(Unit: VTM LIMITED)
Karvy Selenium Tower B, Plot No 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad – 500 032.
Ph : +91 040 67161518
Contact Person: Mr.D.SURESH BABU- Manager – Corporate Registry.
The shareholders should also address their correspondence to:-
Smt K Preyatharshine,
Company Secretary
VTM LIMITED
Chairman's Office: Thiagarajar Mills Premises
Kappalur, Madurai-625 008.
Phone: 0452-2482595

Grievances, if any, may also be addressed to the Company Secretary at email at complianceofficer@vtmill.com

Shareholders are requested to mention their Folio Nos., DP-ID, and Client ID in case of Demat shares, phone and mobile nos., and their Email ID so that the Company/ Compliance Officer can contact them and redress their complaints immediately. However, for instructions like the change of bank mandate, change of address, transfers & transmission of shares, etc. letters duly signed by the Shareholders concerned should be sent, otherwise, such requests cannot be processed by the Registrars. Email ID of Shareholders will have to be registered with the Company to enable the Company or the Registrars to communicate electronically.

Communication to shareholders on Email - Green Initiative of Exchanges:

As mandated by the Ministry of Corporate Affairs (MCA), and as per ESG Guidelines (**Environment Social and Governance** Guidelines) specified documents like Notices, Annual Reports, ECS advice for Dividends, etc. are sent to the shareholders at their email address, as registered with their Depository Participants / Company / Registrar and Transfer Agents (RTA), which help in prompt delivery of a document, reduce paper consumption, save trees and avoid loss of documents in transit. Due to this reason

Shareholders holding shares in Physical form are requested to send their email id to company.

GENERAL SHAREHOLDER INFORMATION

1. Date, Time and Venue of the Annual General Meeting.	31 st July, 2026 at 4.45 pm Noon via Video Conference
2. Dates of Book Closure/Record date for Financial Year 2025-26	Register of Members will be closed from 26 th July 2026 to 31 st July, 2026.
3. Results for Quarter ending June 30, 2026 (Provisional)	4 th Week of July, 2026.
Results for Quarter ending September 30, 2026 (Provisional)	3 rd Week of October, 2026.
Results for Quarter ending December 31, 2026 (Provisional)	3 rd Week of January, 2027.
Financial Calendar – 1 st April 2026 To 31 st March 2027 (Audited)	4 th Week of April, 2027.



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of VTM Limited

We have examined the compliance of conditions of Corporate Governance by VTM Limited ('the Company') for the year ended March 31, 2026 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's responsibility for compliance with the conditions of the listing regulations

The Company's Management is responsible for compliance of conditions of Corporate Governance including the preparation and maintenance of all relevant supporting records and documents as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above-mentioned Listing Regulations.

Auditors' responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2026.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under the Section 143 (10) of the Companies Act, in so far as applicable for the purpose of this certificate.

The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46

and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

Restrictions on use

This certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.004915S/ S200036

(E K SRIVATSAN)

Partner

Membership No. 225064

UDIN:

Place: Chennai

Date: May 22, 2026



Annexure II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FORTHE 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,
VTM LIMITED,
(CIN : L17111TN1946PLC003270)
SULAKARAI,
Virudhunagar – 626 003

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VTM LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other

records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

- (i). The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

- (a) SEBI (LODR) Regulations, 2015 & 2018.
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) 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;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (vi). Taxation Laws, Labour Laws and Environmental Laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Listing Agreements entered into by the Company



with Bombay Stock Exchange.

(iii) SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations of SEBI as applicable to the Company.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Managing Director, Non-Executive Directors, Independent Directors and a Woman Director. There are no changes in the composition of the Board of Directors.

Adequate notices were 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.

The decisions of the Board have been unanimously passed.

I further report that the following are the details of specific events happened during the audit period the company.

1. Resignation of Mr. KAMATCHI NAIDU DEENADAYALAN , CFO
2. Appointed Mr. PANNEER SELVAM SENTHILKUMAR as CFO
3. Adopted new set of Articles of Association of company inter-alia pursuant to the companies act, 2013
4. Increase of Authorised and paid-up capital
5. Appointment of secretarial auditor.

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.

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

S.Ramalingam,

Company Secretary in Practice

ACS 61773 /C P No.:23495

PR Code : 6185/2024

Date : 22.05.2026

Place : Madurai - 625 018.

UDIN : A061773H000437720



Annexure A

(To the Secretarial Audit Report of VTM Limited for the financial year ended 31/03/2026)

To,
The Members,
VTM LIMITED,
(CIN : L17111TN1946PLC003270)
SULAKARAI,
Virudhunagar – 626 003

My Secretarial Audit Report for the financial year ended 31/03/2026 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 the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedure 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.

Signature:

Name of Company Secretary in practice : S. Ramalingam
ACS 61773 CP.No:23495
PR Code : 6185/2024
Place : Madurai - 625 018.
UDIN : A061773H000437731

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,
VTM LIMITED,
(CIN : L17111TN1946PLC003270)
SULAKARAI,
Virudhunagar – 626 003

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VTM LIMITED having CIN : L17111TN1946PLC003270 and having registered office at Sulakarai, Virudhunagar-626003 (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) 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 Director	DIN	Date of appointment in Company
1.	Sri.Thiagarajan K (CMD)	03638370	23.08.2013
2.	Smt.Uma Kannan	00467462	25.03.2015
3.	Sri.RM.Somasundaram	00071510	01.12.1984
4.	Sri.TN.Ramanathan	02561794	01.04.2019
5.	Sri.Ganesh Ananthakrishnan	00003586	25.03.2021
6.	Sri.L.Sevugan	03580186	25.03.2021
7.	Sri.Chinnakonda Rajendran Venkatesh	00122065	25.04.2022
8.	Sri. Mariappan Anbukani	00888339	28.10.2022
9.	Sri.Vethachalam Kasinathan	10308450	11.09.2023



Ensuring 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.

Signature:

Name of Company Secretary in practice: S.Ramalingam.
ACS No.61733 C P No. :23495
PR No :6185/2024

Place : Madurai - 625 018.

UDIN : A061773H000437731

MANAGEMENT DISCUSSION & ANALYSIS

Global Economic Overview

Global Economy: Navigating Growth Amid Trade Realignment and Geopolitical Uncertainty

The global economy entered 2026 with resilient underlying fundamentals, although growth continued to moderate amid heightened geopolitical tensions, evolving trade policies and elevated uncertainty surrounding global supply chains. While inflationary pressures eased across several advanced economies, renewed energy market volatility, protectionist trade measures and regional conflicts continued to weigh on business confidence and investment decisions.

According to the International Monetary Fund (IMF), global economic growth is projected at approximately 3.3% in 2026, supported by resilient labour markets, continued technology-led investments and improving financial conditions. However, the IMF cautions that increasing trade fragmentation and geopolitical risks remain key downside factors that could affect global growth prospects.

The OECD, in its latest Economic Outlook, presents a more cautious assessment, projecting global GDP growth of around 2.8–2.9% in 2026, reflecting the impact of persistent trade uncertainties, higher energy prices and disruptions arising from geopolitical conflicts. The report notes that while artificial intelligence, digital investments and easing monetary conditions continue to support economic activity, prolonged geopolitical disruptions could significantly weaken global demand and investment.

Global manufacturing activity remained uneven across regions. Advanced economies continued to experience slower industrial production amid subdued consumer demand and higher financing costs, whereas emerging economies—particularly India and several ASEAN nations—benefited from supply chain diversification, manufacturing investments and expanding domestic consumption.

International trade is undergoing structural realignment as multinational corporations diversify sourcing strategies beyond traditional manufacturing hubs. This shift has accelerated the adoption of the “China+1” strategy, creating opportunities for countries such as India, Vietnam and Indonesia to strengthen their role in global manufacturing and exports. Commodity markets remained volatile throughout the year. Energy prices fluctuated sharply due to geopolitical developments in the Middle East and disruptions to global shipping routes, while agricultural commodities and industrial raw materials also witnessed increased price volatility. These factors continued to influence production costs across manufacturing industries, including textiles.

For the global textile and home furnishing industry, inventory levels across major retailers largely normalised during the year, leading to a gradual recovery in procurement activity. Nevertheless, buyers remained focused on supply chain resilience, sustainability, shorter lead times and reliable manufacturing partners. Increasing emphasis on responsible sourcing, product traceability and ESG compliance continued to reshape global procurement practices. Against this backdrop, India further strengthened its position as a preferred global sourcing destination, supported by its integrated textile ecosystem, competitive manufacturing base, expanding trade partnerships and favourable demographic profile. These structural advantages continue to create long-term opportunities for export-oriented textile manufacturers.

While the global economy continued to navigate a complex macroeconomic environment, India remained one of the fastest-growing major economies, supported by robust domestic demand, policy reforms, infrastructure investments, and a strengthening manufacturing ecosystem. These factors have reinforced India’s position as a preferred destination for textile production and exports, providing a favourable backdrop for companies such as VTM Limited.

Indian Economic Overview

India: Sustaining Growth Through Domestic Resilience

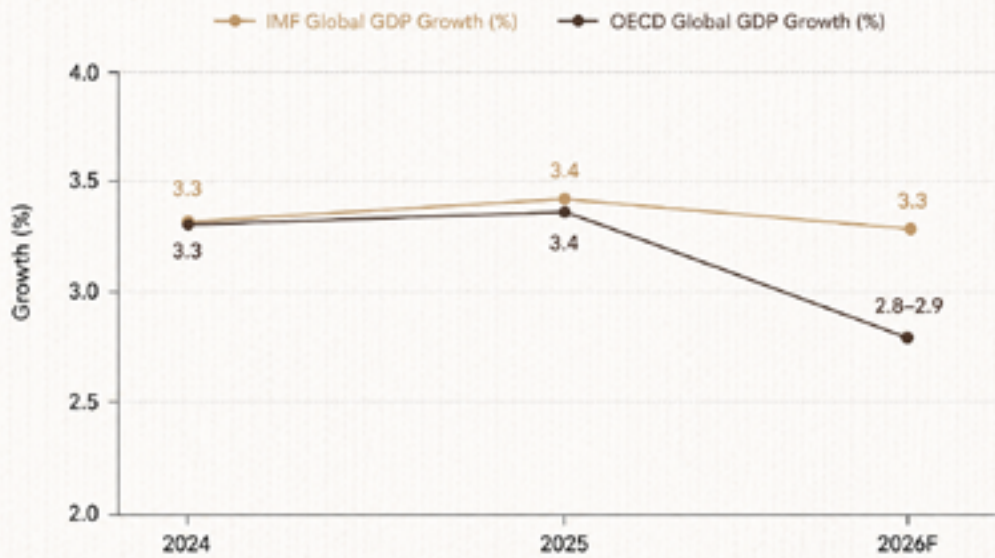
India continued to reinforce its position as the world’s fastest-growing major economy during FY2025–26, demonstrating remarkable resilience despite heightened geopolitical uncertainties, evolving global trade dynamics, and intermittent commodity price volatility. Strong domestic consumption, sustained public capital expenditure, healthy corporate balance sheets, expanding manufacturing activity, and a resilient financial system collectively underpinned the country’s growth trajectory.

According to the Ministry of Statistics and Programme Implementation (MoSPI), India’s real GDP is estimated to have grown by 7.7% in FY2025–26, compared with 7.1% in FY2024–25, while real Gross Value Added (GVA) expanded by 7.9%, reflecting broad-based growth across manufacturing, construction and services. Robust private consumption and investment remained the principal demand-side drivers, with Gross Fixed Capital Formation (GFCF) registering double-digit growth during the fourth quarter.

The manufacturing sector continued to benefit from government initiatives such as Make in India, the Production Linked Incentive (PLI) Scheme, the PM Gati Shakti National Master Plan, and ongoing investments in logistics and industrial infrastructure. Simultaneously, easing inflationary pressures and supportive monetary conditions strengthened consumer confidence and supported discretionary spending across sectors.

For India’s textile industry, these macroeconomic fundamentals translated into improving domestic demand, expanding export competitiveness through new trade agreements, and continued policy support for manufacturing-led growth. The country’s integrated textile ecosystem, abundant cotton availability, skilled workforce, and growing emphasis on sustainability further enhanced its attractiveness as a preferred global sourcing destination.

Global GDP Growth Forecast (2024–2026)



Sources: IMF – World Economic Outlook,OECD Economic Outlook

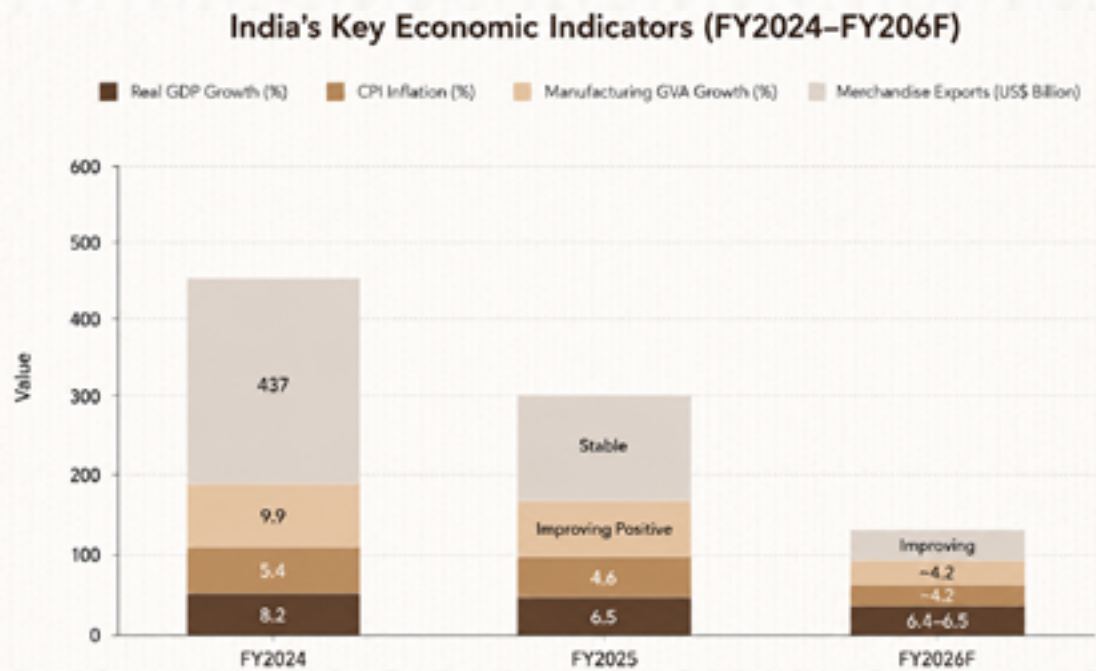
Outlook

Global growth remained resilient despite elevated geopolitical and trade suncertainties. Emerging economies continued to anchor global manufacturing expansion.Cotton price volatility and higher input costs weighed on textile manufacturers worldwide.

Sustainability, supply chain diversification, and trade agreements emerged as defining themes for the global textile industry.

India’s structural strengths position it to capture a greater share of global textile sourcing over the medium to long term.

India's Macroeconomic Snapshot



Source: Ministry of Statistics & Programme Implementation (MoSPI)

Outlook

Despite global economic uncertainties, the structural outlook for India remains favourable. Continued investments in infrastructure, manufacturing competitiveness, logistics and export promotion are expected to strengthen India’s role in global supply chains. These macroeconomic tailwinds provide a supportive environment for textile manufacturers to expand capacity, enhance value addition and strengthen their presence across domestic and international markets.

Industry Overview

Global Textile Industry Overview

A Structural Transformation Creating New Opportunities for Integrated Manufacturers
The global textile industry is navigating one of its most significant structural transformations in recent decades. Once driven primarily by cost competitiveness and production scale, the industry is increasingly being shaped by supply chain resilience, sustainability, digitalisation, product innovation and evolving consumer preferences. While macroeconomic uncertainties, geopolitical tensions and inflationary pressures influenced global demand during FY2025–26, the industry’s long-term fundamentals remain robust, supported by rising population, urbanisation, increasing disposable incomes and expanding middle-class consumption across emerging economies.

According to Grand View Research, the global textile market was valued at approximately US\$1.16 trillion in 2025 and is expected to reach US\$1.61 trillion by 2033, growing at a CAGR

of 4.2%. Asia-Pacific continues to dominate the industry, accounting for nearly 50% of global textile revenues, supported by its integrated manufacturing ecosystem, abundant labour availability and strong export capabilities. Cotton remains the largest raw material segment, while household textiles, apparel and technical textiles continue to drive industry growth.

Beyond market expansion, the industry’s competitive landscape is also evolving. Global brands are no longer evaluating suppliers solely on pricing but increasingly prioritising quality consistency, manufacturing reliability, ESG compliance, traceability, shorter lead times and supply chain resilience. This transition is encouraging manufacturers to invest in automation, digital manufacturing, sustainable production practices and product innovation, enabling them to move up the value chain and build long-term customer partnerships.

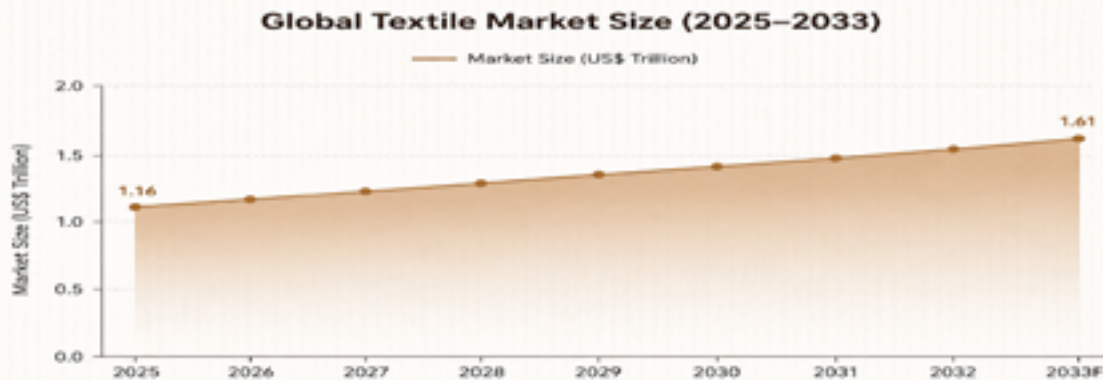
Changing Global Trade Dynamics

Global sourcing patterns continued to evolve during FY2025–26 as geopolitical developments, tariff changes and supply chain disruptions prompted international retailers and brands to diversify procurement strategies. The “China+1” sourcing model has transitioned from a risk-mitigation strategy to a long-term structural shift, with India, Vietnam, Bangladesh and Türkiye emerging as key alternative manufacturing destinations.

At the same time, buyers are increasingly favouring suppliers capable of offering vertically integrated operations, flexible production capabilities and consistent quality while maintaining compliance with evolving environmental and social standards. Rather than relying on a single sourcing geography, multinational retailers are building diversified supplier networks to enhance resilience against geopolitical risks and logistics disruptions. Recent geopolitical events have further reinforced the importance of visibility, inventory planning and supplier diversification across global textile supply chains.

For export-oriented manufacturers, these developments present opportunities to strengthen long-term customer relationships by offering reliability, operational flexibility and value-added solutions instead of competing purely on cost.

Global Textile Market Snapshot





Sources: Grand View Research – Textile Market Report (June 2026) , Grand View Research – Textile Market Press Release

Outlook

The global textile industry is transitioning from a volume-driven model to one centred on value creation, resilience and responsible manufacturing. Manufacturers that combine operational excellence, product innovation, sustainability and strong customer relationships will be better positioned to capture emerging opportunities in an increasingly competitive marketplace.

For integrated textile manufacturers, this evolving landscape presents an opportunity not only to expand global market presence but also to strengthen their position as trusted long-term partners within international supply chains.

Global Home Textile Industry

Elevating Everyday Living Through Design, Comfort and Sustainability

The global home textile industry has evolved from a functional household necessity into a lifestyle-driven market shaped by changing consumer preferences, urbanisation, premiumisation and sustainability. Rising disposable incomes, increasing residential construction, hospitality expansion and growing consumer focus on home aesthetics have transformed home textiles into an essential component of modern living. Consumers today seek products that combine comfort, durability, design, functionality and environmental responsibility, driving demand for high-quality bedding, bath linen, curtains, blankets and decorative furnishings.

According to **Grand View Research**, the global home textile market was valued at **US\$137.8 billion** in 2025 and is projected to grow to **US\$231.4 billion by 2033**, registering a CAGR of **6.9%** during 2026–2033. Asia-Pacific accounted for the largest share of the global market at **43.6%** in 2025, reflecting the region’s strong manufacturing base, expanding consumer markets and growing export capabilities.

The industry’s growth is being supported by multiple structural drivers, including rising home ownership, increasing renovation activity, expanding organised retail, rapid e-commerce penetration and greater consumer spending on premium home décor. At the same time, hotels, healthcare institutions, serviced apartments and commercial real estate continue to generate steady demand for institutional-grade home textile products, broadening the industry’s addressable market.

Evolution of Consumer Preferences

Consumer buying behaviour has undergone a significant transformation over the past decade. Purchasing decisions are increasingly influenced by product quality, comfort, design aesthetics and sustainability credentials rather than price alone. Premium bedding collections, coordinated home décor solutions, organic cotton products and eco-friendly

materials continue to gain popularity across developed and emerging markets.

Digital commerce has further accelerated this shift by enabling consumers to access wider product assortments, compare brands and make informed purchasing decisions. International retailers are responding by expanding premium product portfolios and strengthening relationships with manufacturers capable of delivering differentiated products with shorter lead times and consistent quality.

Another defining trend is the growing preference for certified and responsibly manufactured products. Global consumers increasingly value products carrying certifications such as OEKO-TEX®, Better Cotton and other sustainability standards, reflecting heightened awareness of environmental and social considerations throughout the textile value chain.

Key Growth Drivers

The long-term outlook for the home textile industry continues to be supported by several structural growth drivers:

Urbanisation and Housing Development

Rapid urbanisation, rising home ownership and increasing investments in residential construction continue to stimulate demand for bedding, bath linen, curtains and decorative furnishings.

Premiumisation of Living Spaces

Consumers are increasingly investing in premium home furnishings that offer superior comfort, aesthetics and durability. This trend is particularly evident in developed markets and among middle-income households in emerging economies.

Growth in Hospitality and Tourism

Expansion of hotels, serviced apartments, resorts and healthcare infrastructure continues to drive institutional demand for hospitality linen, towels, bed linen and specialised textile products.

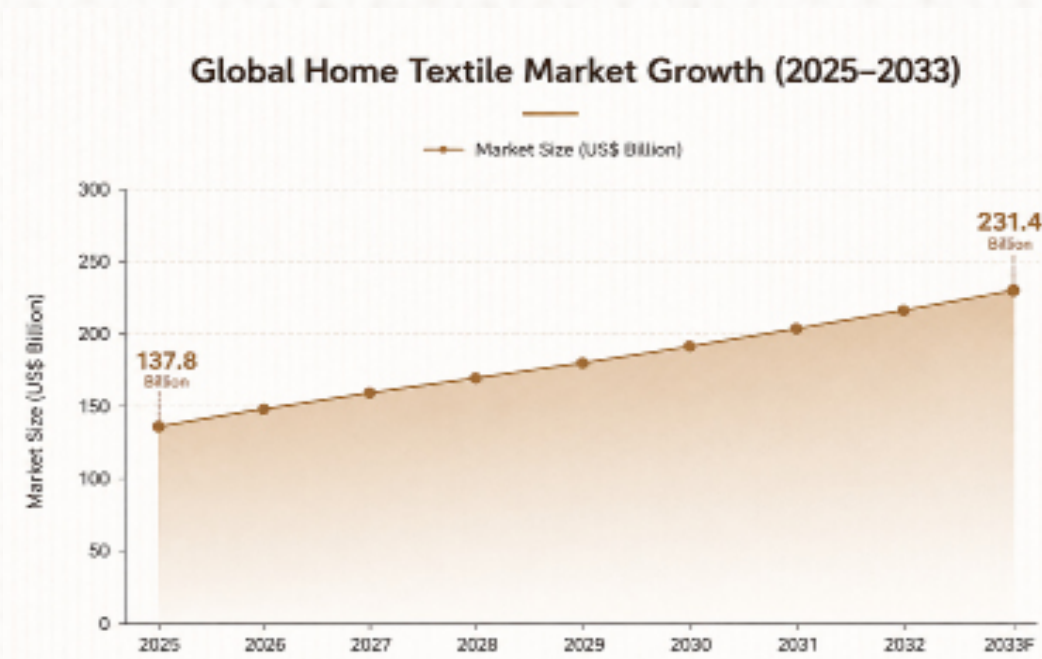
Rise of E-commerce

Online retail platforms have expanded product accessibility while enabling manufacturers to reach broader customer segments across domestic and international markets.

Sustainability and Responsible Consumption

Growing awareness of environmental issues is encouraging demand for responsibly sourced, recyclable and sustainably manufactured home textile products, prompting manufacturers to adopt cleaner production processes and greater supply chain transparency.

Global Textile Market Snapshot



Sources: Grand View Research – Home Textile Market Report (June 2026)

Indian Textile Industry

Strengthening India’s Position as a Global Textile Powerhouse

India is one of the world’s largest textile manufacturing economies, supported by a fully integrated value chain spanning fibre, yarn, fabric, garments and home textiles. The sector plays a pivotal role in the country’s economic development, contributing significantly to manufacturing output, exports and employment while serving as one of the largest sources of livelihood after agriculture.

According to the **Ministry of Textiles**, the industry contributes approximately **2.3% to India’s GDP**, around **13% to industrial production**, and nearly **12% to the country’s merchandise exports**, while providing direct employment to over **45 million people**. India’s strong cotton ecosystem, abundant skilled workforce and diversified manufacturing capabilities continue to reinforce its position as a preferred sourcing destination for global buyers.

The Indian textile industry is undergoing a structural transformation driven by policy support, infrastructure development, technology adoption and increasing global supply chain diversification. Initiatives such as **PM MITRA Parks**, **PM Gati Shakti**, the **National Logistics Policy**, **RoDTEP**, and expanding **Free Trade Agreements (FTAs)** are enhancing manufacturing competitiveness, improving logistics efficiency and strengthening export potential.

Alongside exports, domestic demand remains a key growth driver. Rising disposable incomes, urbanisation, organised retail expansion and increasing consumer preference for premium home furnishings and lifestyle products continue to support demand across the textile value chain. At the same time, investments in automation, digital manufacturing and sustainable production practices are enabling Indian manufacturers to improve productivity and meet evolving global quality standards.

As international brands increasingly diversify sourcing strategies beyond traditional manufacturing hubs, India is well positioned to capture a larger share of global textile trade through its integrated manufacturing ecosystem, reliable supply chains and growing focus on value-added products.



Sources: Ministry of Textiles – Annual Report: <https://texmin.nic.in/documents/annual-report> , Invest India – Textiles & Apparel: <https://www.investindia.gov.in/sector/textiles-apparel>, Ministry of Commerce & Industry – Export Data: <https://tradestat.commerce.gov.in/>

Key Government Initiatives Supporting the Textile Industry

Government Initiative	Strategic Relevance for the Textile Industry
PM Gati Shakti	Improves multimodal connectivity, reducing logistics costs and transit time across the textile value chain.
PM MITRA Parks	Develops integrated textile manufacturing ecosystems with world-class infrastructure and common facilities.
Production Linked Incentive (PLI) Scheme	Encourages investments in advanced textile manufacturing, technology adoption and value addition.

National Logistics Policy	Enhances supply chain efficiency through digital integration and infrastructure development.
Make in India	Promotes domestic manufacturing, investment and global competitiveness.
Free Trade Agreements (FTAs)	Expands preferential access to international markets, improving export competitiveness.
RoDTEP Scheme	Offsets embedded taxes and duties, supporting cost competitiveness of textile exports.
Quality Control Orders (QCOs) & BIS Standards	Promotes standardisation, quality assurance and stronger positioning of Indian textile products in global markets.

Source: Ministry of Textiles, Invest India, Ministry of Commerce & Industry, DPIIT

Outlook

India’s textile industry is entering a new phase of growth, supported by structural reforms, improving infrastructure and evolving global sourcing dynamics. Manufacturers that combine operational excellence, product innovation, sustainability and efficient supply chains will be well positioned to capitalise on both domestic and international opportunities, reinforcing India’s role as a trusted global textile manufacturing hub.

Indian Home Textile Industry

Capitalising on Lifestyle Evolution and Global Sourcing Opportunities

India has established itself as one of the world’s leading manufacturers and exporters of home textile products, supported by a well-integrated textile ecosystem, abundant cotton availability, competitive manufacturing capabilities and strong relationships with global retailers. The country is among the largest suppliers of bed linen, bath linen, kitchen linen and made-ups to key international markets, including the United States, Europe and the Middle East.

India’s home textile segment also maintained healthy growth momentum, supported by rising urbanisation, premiumisation trends, organised retail expansion and increasing consumer spending on home decor and lifestyle products. The Indian home textile market reached approximately USD 4.51 billion in 2025 and is projected to grow steadily over the long term, supported by strong demand across bed linen, bath linen and furnishing products.

The Indian home textile industry is witnessing sustained growth, driven by rising urbanisation, increasing disposable incomes, premiumisation of living spaces and expanding hospitality and real estate sectors. Growing consumer preference for quality, comfort and aesthetically designed products has accelerated demand for value-added home furnishings across both domestic and international markets.

India’s competitive advantage lies in its vertically integrated manufacturing base, skilled workforce and ability to offer a diverse product portfolio across cotton-based home textiles. Coupled with supportive government initiatives, improving logistics infrastructure and increasing adoption of sustainable manufacturing practices, the industry is well positioned to benefit from global supply chain diversification and rising demand for responsibly manufactured products.

The hospitality sector also continues to be a significant growth catalyst. Expansion of hotels, serviced apartments, healthcare facilities and wellness centres is driving demand for institutional-grade linen, while organised retail and e-commerce platforms are creating new avenues for branded home textile products in the domestic market.



Authentic Sources: TEXPROCIL: <https://www.texprocil.org/> , Export Promotion Council for Handicrafts (EPCH): <https://www.epch.in/>

Growth Opportunities

- The Indian home textile industry is expected to benefit from several structural trends:
- Increasing global sourcing diversification under the China+1 strategy.
 - Rising demand for premium and sustainable home furnishing products.
 - Growth in organised retail and digital commerce.
 - Expansion of hospitality, healthcare and real estate sectors.
 - Strong government support for manufacturing and exports.

At the same time, manufacturers continue to focus on product innovation, design differentiation, sustainable production and operational excellence to strengthen competitiveness in global markets.

Outlook

India’s home textile industry is well positioned for long-term growth, supported by favourable demographics, evolving consumer lifestyles and expanding global sourcing opportunities. Manufacturers with integrated operations, consistent quality standards, diversified product offerings and a focus on responsible manufacturing are expected to be key beneficiaries of this evolving market landscape.

Greige Fabric Industry Overview

Greige Fabrics: The Foundation of the Textile Value Chain

Greige fabric, commonly referred to as **grey fabric**, represents the primary woven fabric produced directly from yarn before undergoing bleaching, dyeing, printing or finishing. It forms the foundation of the textile value chain and serves as a critical intermediate product for a wide range of downstream applications, including apparel, home textiles, industrial textiles and technical textiles.

As global textile consumption continues to evolve, demand for high-quality greige fabrics is increasingly being driven by manufacturers seeking consistent quality, dimensional stability, weaving precision and faster turnaround times. Buyers are placing greater emphasis on suppliers capable of delivering customised fabric constructions, superior weaving standards and dependable supply chain execution.

India has established itself as one of the world’s largest producers of woven cotton fabrics, supported by an integrated textile ecosystem, abundant cotton availability, advanced weaving infrastructure and a skilled workforce. The country’s strong weaving base, particularly in cotton fabrics, positions it as a preferred sourcing destination for international processors, home textile manufacturers and garment exporters.

For VTM Limited, greige fabrics represent a strategic pillar of its integrated business model. The Company’s weaving capabilities, supported by advanced Air Jet, Sulzer, Rapier Leno and Jacquard looms, enable it to manufacture premium-quality greige fabrics catering to both domestic and international markets. During FY2025–26, greige fabrics contributed approximately **₹162 crore** to the Company’s revenue, reaffirming their importance within the overall product portfolio.

Global Woven Fabric Industry

The global woven fabric industry continues to benefit from growing demand across apparel, home furnishings, hospitality, healthcare and industrial applications. Although macroeconomic uncertainties temporarily affected textile demand in several developed economies, inventory normalisation and improving consumer spending supported a gradual recovery in woven fabric consumption during FY2025–26.

Increasing emphasis on sustainable sourcing, premium fabric quality and shorter lead times has encouraged international buyers to diversify procurement towards reliable manufacturing destinations such as India.

Indian Fabric Industry Snapshot



Outlook

The long-term outlook for the greige fabric industry remains positive, supported by growing demand for high-quality woven fabrics, increasing investments in value-added textile manufacturing and India’s strengthening position within global supply chains. Manufacturers that focus on weaving excellence, consistent quality, operational efficiency and customer-centric product development will be well positioned to capitalise on emerging opportunities across domestic and international markets.

VTM at a Glance

For nearly eight decades, **VTM Limited** has established itself as a trusted manufacturer of premium woven fabrics and home textile products, serving customers across domestic and international markets. Rooted in a legacy of craftsmanship and manufacturing excellence, the Company has continuously evolved its capabilities to meet the changing requirements of global buyers while preserving its unwavering commitment to quality, reliability and customer satisfaction.

With an integrated manufacturing platform and a diversified product portfolio, VTM caters to a wide spectrum of end-use applications spanning home textiles and woven fabric solutions. Its offerings include **greige fabrics** and an extensive range of **made-up home textile**



products, manufactured to meet the exacting standards of global retailers, institutional buyers and export markets.

Over the years, the Company has strengthened its competitive position through continuous investments in modern weaving technology, operational efficiency and process improvements. This focus on manufacturing excellence enables VTM to deliver consistent quality, optimise

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Over the years, the Company has strengthened its competitive position through continuous investments in modern weaving technology, operational efficiency and process improvements. This focus on manufacturing excellence enables VTM to deliver consistent quality, optimise productivity and respond effectively to evolving customer requirements in an increasingly competitive marketplace.

Business Snapshot

Particular	Overview
Established	Nearly eight decades of textile manufacturing excellence
Core Business	Manufacturing of Greige Fabrics & Home Textile Products
Product Portfolio	Greige Fabrics, Bed Linen, Bed Sheets, Duvet Covers, Comforters, Blankets, Pillow Covers, Cushions, Hospitality Linen, Spa Linen, Table Linen, Bath Linen & Window Furnishings
Manufacturing Strength	Integrated weaving and home textile manufacturing capabilities
Market Presence	Domestic and International Markets
Customer Focus	Export Houses, Global Retailers, Institutional Buyers & Domestic Customers
Core Values	Quality • Craftsmanship • Integrity • Customer Focus • Operational Excellence

What Differentiates VTM

- **Decades of Manufacturing Expertise** built on a strong legacy in woven fabrics and home textiles.
- **Integrated Manufacturing Capabilities** ensuring quality, flexibility and operational efficiency.
- **Diversified Product Portfolio** serving multiple customer segments across domestic and export markets.
- **Customer-Centric Approach** focused on long-term partnerships, product quality and timely delivery.
- **Continuous Modernisation** through investments in advanced weaving infrastructure and productivity enhancement.
- **Commitment to Responsible Manufacturing** supported by disciplined governance and sustainable business practices.

KEY RATIO ANALYSIS

Key Financial Ratios				
Particulars	Unit of Measurement	March 31, 2026	March 31, 2025	Variation in %
Current Ratio	In multiple	2.35	3.5	-33
Debt-Equity Ratio	In multiple	0.24	0.13	85
Debt Service Coverage Ratio	In multiple	57.91	59.59	-3
Return on Equity Ratio	In %	5.00%	17.00%	11
Inventory Turnover Ratio	In Days	122	82	49
Trade receivables Turnover Ratio	In Days	61	52	17
Trade payables Turnover Ratio	In Days	25	16	56
Net Capital Turnover Ratio	In Days	158	118	34

Business Model

An Integrated Manufacturing Model Focused on Quality, Agility and Long-Term Value

VTM Limited operates an integrated manufacturing model that combines decades of weaving expertise with a disciplined approach to quality, operational efficiency and customer-centric execution. The Company transforms raw materials into premium woven fabrics and home textile products through a well-established manufacturing ecosystem designed to deliver consistency, flexibility and value across domestic and international markets.

Its business model is centred on creating long-term value through operational excellence rather than volume-driven growth. Every stage of the manufacturing process—from raw material procurement and weaving to quality assurance and final dispatch—is managed with a strong emphasis on process control, product reliability and timely execution.

The Company’s diversified product portfolio enables it to cater to multiple customer segments while reducing dependence on any single product category. Simultaneously, its focus on continuous modernisation, capacity enhancement and manufacturing efficiency supports improved productivity, greater operational flexibility and the ability to respond to evolving customer requirements.

Strong customer relationships, prudent capital allocation and disciplined operational management continue to form the foundation of VTM’s long-term growth strategy, enabling the Company to strengthen its market position while maintaining financial resilience.

Product Portfolio

A Diversified Portfolio Serving Multiple Customer Requirements

VTM has developed a comprehensive portfolio of woven fabrics and home textile products that address the requirements of residential, hospitality and institutional customers. By combining manufacturing expertise with product development capabilities, the Company delivers solutions that meet evolving market preferences for quality, comfort, durability and aesthetics.

Its product portfolio spans the textile value chain, beginning with high-quality greige fabrics and extending to a broad range of finished home textile products. This diversified offering enables the Company to serve multiple customer segments while enhancing operational flexibility and reducing concentration risk.

Greige Fabrics

High-quality woven greige fabrics serving downstream processing, home textile and apparel applications.

Home Textile Products



Manufacturing & Operations

Operational Excellence Built on Precision and Consistency

Manufacturing excellence has been the cornerstone of VTM’s operations for decades. The Company continues to strengthen its operational capabilities through investments in advanced weaving infrastructure, productivity enhancement initiatives and continuous process improvements.

Its manufacturing facilities are designed to deliver consistent quality while maintaining operational flexibility to cater to diverse customer specifications. Every stage of production is supported by rigorous quality control systems, efficient workflow management and continuous monitoring to ensure products meet demanding domestic and international quality standards.

Operational excellence extends beyond manufacturing efficiency. The Company continuously focuses on optimising resource utilisation, improving production planning and enhancing manufacturing productivity to strengthen competitiveness and create sustainable long-term value.



Operational Strengths

Built for Long-Term Competitiveness

VTM’s operational strength lies in the integration of people, processes and technology. Continuous investments in manufacturing capabilities, disciplined execution and customer-centric operations have enabled the Company to build a resilient business model capable of adapting to evolving market requirements.

Rather than competing solely on scale, the Company differentiates itself through manufacturing reliability, consistent product quality and long-standing customer relationships. This disciplined operating philosophy enables VTM to create value across the textile value chain while maintaining flexibility to respond to changing industry dynamics.

As the Company continues expanding its value-added product portfolio and strengthening export markets, operational excellence will remain central to its long-term strategy.

Strength	Competitive Advantage
Nearly Eight Decades of Experience	Strong manufacturing heritage
Integrated Manufacturing	Better quality control and efficiency
Diversified Product Portfolio	Multiple end-use applications
Customer-Centric Approach	Long-term business relationships
Continuous Modernisation	Enhanced productivity and flexibility
Responsible Manufacturing	Sustainable and disciplined operations

Risk Management

Building Resilience Through Proactive Risk Management

Operating in a dynamic global business environment requires the ability to anticipate risks, respond swiftly to changing market conditions and build resilience across the value chain. At VTM Limited, risk management is integrated into strategic planning and day-to-day operations, enabling the Company to safeguard business continuity while pursuing sustainable growth.

The Company follows a structured approach to identifying, assessing and mitigating risks across its operations. Regular reviews of market developments, customer trends, raw material availability, regulatory changes and operational performance help management take timely decisions and strengthen organisational preparedness. This proactive framework supports informed decision-making, enhances operational resilience and reinforces stakeholder confidence.

Risk Area	Potential Impact	Mitigation Strategy
Raw Material Price Volatility	Fluctuations in cotton and yarn prices may impact production costs and profitability.	Strategic procurement, inventory planning, supplier diversification and continuous monitoring of commodity trends.
Export Market & Trade Risks	Changes in global demand, tariffs, geopolitical developments and trade regulations may affect exports.	Diversified customer base, expansion into new geographies and continuous engagement with international customers.
Foreign Exchange Risk	Currency fluctuations may impact export realisations and import costs.	Active treasury management, natural hedging and prudent monitoring of foreign exchange exposure.
Operational & Manufacturing Risk	Equipment downtime, process disruptions or quality issues may impact production efficiency.	Preventive maintenance, process standardisation, quality assurance systems and continuous capacity modernisation.
Customer Concentration Risk	Dependence on specific customers or markets may affect revenue stability.	Diversification across customer segments, product categories and export destinations.
Regulatory & Compliance Risk	Changes in environmental, labour or export regulations may increase compliance requirements.	Robust internal controls, periodic compliance reviews and adherence to applicable statutory requirements.
Supply Chain & Logistics Risk	Delays in raw material availability or logistics disruptions may affect delivery schedules.	Multiple sourcing strategies, inventory optimisation and close coordination with logistics partners.
Cybersecurity & Information Risk	Increasing digitalisation exposes businesses to cyber threats and data security risks.	IT security controls, regular system monitoring, access management and periodic data backup protocols.

Enterprise Risk Management Approach

VTM’s risk management philosophy extends beyond responding to individual risks. The Company focuses on building resilience through disciplined governance, operational excellence and continuous process improvement. Regular risk assessments, cross-functional reviews and ongoing monitoring enable management to identify emerging risks early and implement appropriate mitigation measures.

The Company also continues to strengthen operational flexibility through investments in manufacturing infrastructure, product diversification and customer expansion, reducing dependence on any single market or product segment. This balanced approach supports long-term business sustainability while enabling the Company to respond effectively to evolving industry dynamics.

Risk Priorities for FY2026–27

- Strengthen procurement and inventory planning to manage raw material volatility.
- Diversify export markets and customer base to reduce concentration risks.
- Enhance manufacturing efficiency through continued technology investments.
- Reinforce cybersecurity and digital governance frameworks.
- Maintain disciplined financial and operational controls to support long-term resilience.

SWOT ANALYSIS



Outlook

Effective risk management is fundamental to VTM's long-term value creation. By combining prudent governance with operational discipline, diversified markets and continuous investment in manufacturing capabilities, the Company is well positioned to navigate evolving business challenges while preserving financial stability and creating sustainable value for all stakeholders.

Future Outlook

Positioned to Capture the Next Phase of Growth

The outlook for the textile industry remains constructive over the medium to long term, supported by favourable macroeconomic fundamentals, evolving global sourcing strategies, increasing demand for premium home textiles and continued policy support for India's manufacturing sector. While the industry is expected to remain susceptible to short-term fluctuations arising from raw material prices, geopolitical developments and trade policies, the structural drivers underpinning India's textile sector continue to strengthen.

The global trend towards supply chain diversification, coupled with growing emphasis on sustainability, quality and supply reliability, is creating significant opportunities for integrated textile manufacturers. India's competitive advantages—including a robust cotton ecosystem, skilled workforce, integrated manufacturing capabilities and improving trade relationships—position the country to enhance its share in the global textile and home furnishing markets.

For VTM Limited, these structural shifts present a compelling platform for sustainable growth. The Company has established a clear strategic roadmap centred on strengthening its manufacturing capabilities, expanding its value-added product portfolio and broadening its international market presence.

Management reiterated that while the Company faced temporary profitability pressures due to U.S. tariff-related pricing adjustments, higher raw material costs and foreign exchange volatility, these challenges were largely cyclical in nature. The strategic decision to preserve long-standing customer relationships and diversify into newer geographies such as **Japan, Europe, the United Kingdom and Australia** reflects management's confidence in the long-term growth prospects of the business.

Strategic Priorities

VTM Limited remains focused on executing a well-defined strategy aimed at strengthening operational performance and creating sustainable stakeholder value.

Strategic Focus Areas

- Strategic Priority
- Capacity Enhancement
- Product Mix Optimisation
- Export Diversification
- Manufacturing Excellence
- Customer Relationship Management
- Financial Discipline
- Technology Upgradation

The Company expects that the commissioning of additional weaving looms and continued investments in manufacturing infrastructure will support future production capabilities while enabling greater responsiveness to customer requirements.

Growth Opportunities

VTM is well positioned to capitalise on emerging opportunities across domestic and international markets.



Key Growth Levers

Opportunity

- Expansion in Home Textile Demand
- Entry into New Export Markets
- Value-added Product Portfolio
- Operational Efficiency Initiatives
- Technology-led Manufacturing
- Long-standing Customer Relationships

Management Outlook

VTM enters FY2026–27 with a stronger operational foundation and a clear strategic direction. The Company remains committed to strengthening its position in premium woven fabrics and home textiles through continued investments in technology, capacity expansion, operational excellence and market diversification.

While management remains mindful of near-term uncertainties arising from geopolitical developments, currency movements and raw material price volatility, it believes that VTM's disciplined business model, diversified customer relationships and integrated manufacturing capabilities provide the resilience required to navigate evolving market conditions.

With nearly eight decades of manufacturing expertise, a modern production infrastructure and a continued focus on value-added products, VTM is well positioned to capitalise on emerging industry opportunities and deliver sustainable long-term value to its stakeholders.

Forward-looking Statement

Certain statements contained in this **Management Discussion and Analysis** describing the Company's objectives, projections, estimates, expectations, plans, strategies or future performance may constitute **forward-looking statements** within the meaning of applicable securities laws and regulations.

These statements are based on assumptions, expectations and information available to the management as of the date of this Annual Report and are subject to various known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by such statements.

Factors that may influence actual outcomes include, but are not limited to, changes in global and domestic economic conditions, fluctuations in raw material prices, demand and supply dynamics, foreign exchange movements, geopolitical developments, trade policies, tariff regulations, changes in government policies, environmental regulations, technological advancements, competitive intensity, customer demand patterns and other risks inherent to the textile industry.

The Company undertakes no obligation to publicly update, revise or modify any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable laws and regulatory requirements.

Stakeholders are advised not to place undue reliance on these forward-looking statements and are encouraged to evaluate them in conjunction with the risks and uncertainties discussed elsewhere in this Annual Report.

Annexure IV: Corporate Governance Report 2025-26

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014.

1. STEPS TAKEN FOR CONSERVATION OF ENERGY:

Energy Conservation:

Power generated from Wind electric generators continues to be utilized by the company, resulting in savings for the company.

Further the company has installed two nos of energy efficient compressors, each having a capacity of 755 Cfm at a total cost of 72.0 lakhs to meet the air requirement of newly installed machines and conserve energy. As a result, the company has achieved energy savings of 209 units per day. In addition, the company has replaced the conventional Supply air fans with newly installed energy efficient fans in Sulzer department humidification plant –resulting in energy savings of 181 units per day.

2. STEPS TAKEN FOR ALTERNATE SOURCES OF ENERGY & CONSERVATION OF EQUIPMENTS.
NEW LOOMS AND OTHER MACHINERY PURCHASE:

Your Company had imported 04 Nos of 190cm ITEMA rapier looms with Leno attachment from Italy at a cost of Rs.3.55 Cr and installed to meet our global market requirements of leno selvedge fabric. To fulfil our “Home Textiles” requirement of FLORAL JACQUARD fabrics, we have installed 04 Nos PICANOL OPTIMAX loom with Staubli Jacquard at a cost of Rs.1.80 Cr. To produce High Value “SEER SUCKER” fabric, we have installed 02 Nos PICANOL ULTIMAX rapier looms with FANCY BEAM Attachment at a cost of Rs.2.13 Cr which were imported from Belgium. To match the requirement of Linen Fabric production for our Home Textiles, we have purchased one Sectional Warping machine from M/S. RABATEX at a cost of Rs.1.08 Cr. We have purchased 01 Yarn Conditioning Unit from M/S. SIEGER at a cost of Rs.0.30 Cr to achieve good quality and loom efficiency.

Through the state-of-the-art weaving machines and machineries, we can weave larger and complicated dobby Leno designs, Linen Fabrics and Seer Sucker fabrics with special yarn and multiple yarn counts.

FABRIC FOLDING (Packing) MACHINE:

To improve the packing quality and satisfy the customer requirement and ergonomics of the operators, we purchased and installed 01 No. Automatic Folding machine at a cost of Rs.0.2Cr.

SAFETY:

For the safety purpose, we have installed **"FIRE HYDRANT"** at the cost of Rs.0.92Cr. All the departments and the raw material and Finished Goods warehouses are connected with this Fire Hydrant and we ensure the safety and statutory requirements.

Alternate Source of energy:**Environment Social and Governance (ESG):**

The Company always strives to maximize the usage of Green Energy and thus reduce the carbon footprint. The Company uses electrical energy generated from company's windmills and Solar plants (Total capacity 6.31 MW) . Also, its sources green energy from market to support the clean environment initiatives. Company produced 94.31 lakhs units of green energy from its own infrastructure and purchased 32.37 lakhs units from the Market.

Further the company has installed 2 Nos of energy efficient compressors, each having a capacity of 755 CFM at a total cost of Rs 72.0 lakhs to meet the air requirement of newly installed machines and conserve energy. As a result, the company has achieved energy savings of 209 units per day. In addition, the company has replaced the conventional Supply air fans with newly installed energy efficient fans in Sulzer department humidification plant, resulting in energy savings of 181 units per day.

VTM-SULAKARAI**A. POWER AND FUEL CONSUMPTION**

Electricity	31.03.2025	31.03.2026
Purchased		
Units	3799956	697715
Total Amount (Rs)	56451221.50	22461045
Rate Per Unit (Rs)	14.86	32.19
EB Demand Charges		
Units	3799956	697715
Total Amount (Rs)	14498541	14933601
Rate Per Unit (Rs)	3.82	21.40
Own Generation: Diesel Generator		
Units	9645	10340
Units per litre of Oil (Rs)	2.16	2.28
Diesel Cost Per Unit (Rs)	42.09	39.69

Own Generation: Wind Mill		
Produced Units : (Produced units represent units generated after adjustment of line losses)	58,40,398	6314022
Availed Units	5840398	6314022
Own Generation: Solar Power		
Produced Units	878518	3116594
Availed Units	878518	3116594
Through Independent Power Producers and Power Exchange		
Units	3702685	4059284
Rate per unit (Rs)	7.17	6.48
VTM : HOME TEXTILES UNIT: ALAMPATTI		
Electricity : Purchased		
Units	895858	1383647
Total Amount (Rs)	17245649	16164881
Rate Per Unit (Rs) (Including Minimum Demand Charges)	19.25	11.68
Through Independent Power Producers and Power Exchange		
Units	-	76028
Rate per unit (Rs)	-	4.34

Note:

1. No standard rate of consumption is available.
2. As the company is producing Numerous varieties or Sorts of Cloth, separate details for each variety or Sort are not given.

II. TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT:

During the year under review, the Company continued its focus on technology absorption and operational efficiency through the implementation of energy conservation initiatives and modernization measures across its manufacturing operations.

The Company installed 2 Nos. of energy-efficient compressors to cater to the air requirements of newly installed machinery while simultaneously improving energy efficiency. This initiative has resulted in estimated energy savings of approximately 209 units per day.

Further, in the Sulzer Department humidification plant, the conventional supply air fans were replaced with energy-efficient fans, leading to additional energy savings of approximately 181 units per day.

These initiatives reflect the Company's continued commitment towards technology upgradation, sustainable manufacturing practices, cost optimization, and efficient utilization



of energy resources.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company has earned during the year under report, foreign exchange equivalent to Rs.21,477.84 Lakhs (FOB value of exports) through direct exports.

The foreign exchange outgo during the period is as given below vs Rs.340.45 Lakhs spent(in total) in Previous Financial year.

Capital Goods	Rs.500.26 Lakhs
Components & Spares	Rs. 53.24 Lakhs
Total –Imported purchase-C.I.F Value	Rs. 553.50 Lakhs

Amidst challenges, the company is striving to expand the export market segment by broadening its geographical sweep.

For and on behalf of the Board of Directors
K. Thiagarajan
Chairman & Managing Director
(DIN:03638370)

22nd May, 2026
Kappalur, Madurai

ANNEXURE V

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 arms length transactions under third proviso thereto

1. Details of material contracts or arrangements or transactions at arm’s length basis:

Name of the party with which contract is entered into	Name of the Director interested	Relation with Director/ Company/ Nature of concern or interest	Duration	Salient Terms including value if any	Date of Board approval	Advance paid if any
1		2	3	4	5	6
Thiagarajar Mills Private Limited	K.Thiagarajan	Director	Five Years	At arm’s length price and in tune with market rates	03.05.2023	NIL
	Uma Kannan	Director	from			
	M.Anbukani	Director	01.04.2024			
Colour Yarns Private Limited	Uma Kannan	Director	Till 31.03.2029	At arm’s length price and in tune with market rates	19.12.2025	NIL

The Company has obtained consent from members at the AGM held on 03.07.2023 for entering into contracts exceeding the limits specified in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014



ANNEXURE VI

Particulars, Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

S.No	Particulars	Details				
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;					
		Name of the Director	Designation	Remuneration	Ratio to Median Remuneration	
		Sri K. Thiagarajan	Chairman & Managing Director	50	49.45	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year;					
		Name of the Director	Designation	Remuneration		Percentage increase/ Dec in Remuneration
				2024-25	2025-26	
		Sri K. Thiagarajan	Chairman & Managing Director	250	50	-80%
		"Mr. P. Senthil Kumar	"Chief Financial Officer	-12.81	"15.50	53%
		Mr.K. Deenadayalan"	Chief Financial Officer"		4.06"	
		Smt K Preyatharshine	Company Secretary	16.03	18.7	17%

3.	The percentage increase in the median remuneration of employees in the financial year;	Year	2024-2025	2025-2026	Increase / Dec	Percentage increase/ Dec in Remuneration
		Median Remuneration	1.11	1.01	-0.1	

4.	The number of permanent employees on the rolls of Company;	666			
5.	Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;				
		Details	2024-2025	2025-2026	Increase
		Employee cost (Excluding remuneration to Directors)	2087.27	2632.98	26.14%
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration to Directors	250	50	-80%
		Yes .			

Particulars of employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

NIL

ANNEXURE VII

ANNUAL REPORT ON CSR ACTIVITIES

CSR Policy of the Company

1. Brief outline of the CSR Policy of the company:

The policy encompasses the company's philosophy on giving back to society as a Corporate Citizen and lays down the guidelines /mechanism for undertaking socially useful programme for sustainable development of rural communities/education purposes.

2. Composition of CSR Committee:

The CSR Committee was charged with the responsibilities to discharge functions related to CSR activities to be carried out as per Schedule VII of Companies Act 2013 and the amendments made thereon. As per notification issued by MCA, there is no necessity to form CSR Committee if the prescribed CSR expenditure does not exceed Rs. 50 Lakhs in the year, the Board of Directors can discharge the CSR committee functions and activities. Therefore CSR Committee got disbanded and future review of CSR obligations , including progress monitoring, co-ordination with implementing agency, etc.,came under the purview of Board of Directors on and from 01.04.2021.

Considering the increase in net profits year by year and the CSR expenditure obligation, to meet out the requirements as set out in the act, the CSR committee was formed in the meeting which was held on 12.02.2026. The committee members are Smt Uma Kannan, Sri M. Anbukani and Sri. L.Sevugan.

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.

www.vtmill.com

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:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. in Lakhs)	Amount required to be set-off for the financial year, if any (Rs. in Lakhs)
1	FY-1 (31/03/2025)	-	-
2	FY-2 (31/03/2024)	-	-
3	FY-3 (31/03/2023)	-	-
	TOTAL		

6. Average net profit of the company as per section 135(5) **Rs. 2812.92 Lakhs**

7.(a) Two percent of average net profit of the company as per section 135(5) **Rs.56.26 Lakhs**

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

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

(d) Total CSR obligation for the financial year (7a+7b- 7c). **Rs 56.26 Lakhs**

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 27.61 Lakhs	Rs. 29.76 Lakhs	28.04.2026	NA	NA	

8b. Details of CSR amount spent against **ongoing projects** for the financial year:



(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.	Dis-trict.						Name	CSR Registration number.
1.	Technol-ogy en-hancement Project	Promoting Education	Yes	Tamil Nadu	Madu-rai	2 Years	27.50 lakhs	Rs 17.35 Lakhs	-	No	KKTC-MCT	CSR00003093
2.	Technol-ogy en-hancement Project	Promoting Education	Yes	Tamil Nadu	Madu-rai	2 Years	25.76 lakhs	Rs 8.80 Lakhs		No	KKTC-MCT	CSR00003093
3.	Technol-ogy en-hancement Project	Promoting Education	Yes	Tamil Nadu	Madu-rai	1 Years	7.90 lakhs	Rs 1.00 Lakhs		No	KKTC-MCT	CSR00003093
	TOTAL							Rs 27.15 Lakhs				

8c.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 sched-ule VII to the Act.	Local area (Yes/ No).	Location of the proj-ect.		Amount spent for the project (in Rs.).	Mode of implemen-tation - Direct (Yes/ No).	Mode of implementation -Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Purchase of Spectacles for the Eye Camp	Pro-moting Health-care	Yes	Tamil Nadu	Virudhun-agar	46020	Yes	-	-
	TOTAL					46020			

- (a). Amount spent in Administrative Overheads: Rs 15850
- (b). Amount spent on Impact Assessment, if applicable: **NIL**

(c). Total amount spent for the Financial Year (8b+8c+8d+8e)
Rs. 27.61 lakhs

(d). Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs.56.26 Lakhs
(ii)	Total amount spent for the Financial Year	Rs.27.61 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sl. No.	Preced-ing Fi-nancial Year.	Amount transferred to Unspent CSR Account under sec-tion 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remain-ing to be spent in suc-ceeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	24-25	11.40	10.02	--	--	--	1.38

(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.	Finan- cial Year in which the proj- ect was com- menced.	Project dura- tion.	Total amount allocated for the proj- ect (in Lakhs)	Amount spent on the project in the report- ing Fi- nancial Year (in Lakhs)	Cumu- lative amount spent at the end of reporting Financial Year. (in Lakhs)	Status of the proj- ect - Comple- ted /Ongoing.
1.	2024-25	Infra- struc- ture En- hance- ment Proj- ects	March, 2025	2 Years	25.76 Lakhs	14.39 Lakhs	22.16 Lakhs	Comple- ted
	TOTAL				25.76 Lakhs	14.39 Lakhs	22.16 Lakhs	Comple- ted

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
- Not applicable**
(asset-wise details) -Nil
- i. Date of creation or acquisition of the capital asset(s).: **NA**
- ii. Amount of CSR spent for creation or acquisition of capital asset: **NA**
- iii. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **NA**
- iv. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **NA**

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).
Not applicable

K. Thiagarajan
Chairman and Managing Director
DIN: 03638370

Uma Kannan
Director
DIN: 00467462



Annexure VIII

Chairman & Managing Director’s Certificate

Annual Certificate under Regulation 34(3) read with Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

DECLARATION

As required under Regulation 34(3) read with Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for the year ended March 31, 2026.

K. Thiagarajan
Chairman & Managing Director
(DIN: 03638370)

Annexure IX

Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

We, K.Thiagarajan, Chairman and Managing Director and P. Senthil Kumar, Chief Financial Officer of the Company certify that -

- A. We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31.3.2026, and 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 statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws, and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal, or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify those deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
 - i. There are no significant changes in internal control over financial reporting during the year.
 - ii. The company has adopted Indian Accounting Standards (Ind AS) in terms of Companies (Indian Accounting Standards) Rules, 2015 for the current financial year and the same has been disclosed in the notes to the financial statements; and
 - iii. There are no instances of fraud of which we became aware and the involvement therein if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.

K. Thiagarajan
DIN: 03638370
Chairman & Managing Director

Date : 22.05.2026
Place : Madurai

P. Senthil Kumar
Chief Financial Officer

Annexure X : Remuneration Policy

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of four Directors of which two are Independent Directors and one Non-Executive Director and Chairperson (Executive) as the Members of the Committee and as such complies with the obligations of the Companies Act, 2013 and the corporate governance requirements of the Listing Agreement with stock exchanges. The Chairperson of this Committee is an Independent Director. The Chairperson of the Board of Directors is a member of this Committee but will not Chair this Committee.

The Committee operates under formal terms of reference which were approved by the Board on April 29, 2014. These terms of reference have been prepared in a manner to generally maintain overall continuity with the nomination and remuneration policies of the company while complying with the Companies Act, 2013, and the Listing Agreements with stock exchanges.

Role and Responsibilities

The Committee's foremost priorities are to ensure that the Company has the best possible leadership and maintains a clear plan for both Executive and Non-Executive Director succession. The Committee also reviews Senior Management succession. Its prime focus is therefore on the strength of the Board and the Senior Management team and ensuring that appointments are made on merit, against objective criteria, selecting the best candidate for the post. The Committee advises the Board on the appointments, retirements, and resignations from the Board and its Committees. It also advises the Board on similar changes to the Senior Management of the Company.

The Committee and its members are empowered to obtain outside legal or other independent professional advice, at the cost of the Company, in relation to its deliberations and to secure the attendance at its meetings of any employee or other parties it considers necessary.

Criteria for appointments and independence of Directors

When considering appointments to the Board and its Committees, the Nomination and Remuneration Committee will draw up a specification for the role taking into consideration the balance of skills, knowledge, and experience of its existing members, the diversity of the Board, and the Company's ongoing requirements. The Company believes that diversity underpins the successful operation of an effective Board and embraces diversity as a means of enhancing the business.

The recruitment process then focuses on appointing candidates who meet the criteria, and who have the relevant professional knowledge, professional qualifications, and experience. Successful candidates are likely to have demonstrable leadership qualities and interpersonal communication skills, act with integrity, and have international business exposure.

Care is taken to ensure that all proposed appointees have sufficient time available to devote to the role, are compliant with the rules, policies, and values of our Company, and do not have any conflicts of interest.

On appointments or promotions, the Committee will typically use the Remuneration Policy of the Company to determine ongoing remuneration. However, the Committee retains the discretion to make appropriate remuneration decisions outside the Standard Policy to meet specific circumstances.

Remuneration Policy

The overarching philosophy for remuneration within the company is to attract, retain, and motivate individuals of the caliber necessary to successfully implement the Company's business strategy. In particular, this means ensuring that incentive plans are appropriate to encourage enhanced performance and avoid rewarding underperformance. In viewing and setting the Company's remuneration policy, the Committee seeks to balance the interests of its employees and those of its stakeholders, to support Company strategy, where a meaningful portion of remuneration is performance-linked.

Remuneration Policy for Managing Director:

An appropriate level of remuneration may be set to ensure that the Company can appoint a Managing Director with the necessary skill and experience by offering him market-competitive remuneration reflecting his individual experience, role, and contribution. The appointment may be for a tenure of such years from the date of his appointment not exceeding the period in terms of Section 196 and as prescribed under Schedule V to the Companies Act, 2013. The individual's performance will be reviewed annually by the Nomination and Remuneration Committee and recommended to the Board enabling it to decide the remuneration payable to the Managing Director.

The total remuneration package may be designed to provide an annual remuneration payable by way of commission and other perquisites as decided by the Board of Directors however, not exceeding 5% of the net profits of the company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and as determined by the Board of Directors of the Company for each financial year within the maximum permissible limit. Further, in the event of his being Managing Director in any other company, such remuneration shall not exceed the higher maximum limit admissible from any one of these companies, in terms of Schedule V to the Companies Act, 2013.

The Managing Director is not entitled to sitting fees for attending meetings of the Board or the Committees where he will be the Chairman/Member. He is entitled to have the Chairman's Office at his convenience at the Company's expense.

Remuneration Policy for Non-Executive Directors

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board or its Committees at rates that are within the limits prescribed under the Companies Act, 2013. They are also entitled to commission on net profits, as determined by the Board from time to time, not exceeding 1% of the net profits of the Company for that year. The level of

remuneration is set to attract and retain Non-Executive Directors of the necessary skill and experience by offering them market-competitive remuneration.

Non-executive directors do not participate in Board discussions that relate to their remuneration. They receive reimbursement of reasonable expenses incurred in attending the Board, Committee, and other ad hoc meetings.

None of the Non-Executive Directors is entitled to receive compensation for loss of office at any time or participate in any retirement plans.

Non-Executive Independent Directors are appointed in compliance with the provisions of the Companies Act, 2013, and must adhere to the Code for Independent Directors laid down under Schedule IV to the Companies Act, 2013, and retain their independence during the entire tenure of appointment as an Independent Director. The terms of service of Non-Executive Independent Directors are contained in letters of appointment issued to them after their appointment at a general meeting of the Company. The current policy for Non-Executive Independent Directors of the Company is to serve for a maximum period of two terms of five years each, with review at the end of the first five-year term, subject always to mutual agreement and annual performance evaluation.

Remuneration is paid subject to deduction of Income Tax at source and payment of applicable GST.

Remuneration to Senior Management Personnel

Senior Management Personnel include one level below the Managing Director. Accordingly, the Personnel such as Chief Financial Officer, Company Secretary, Vice President / General Manager / Deputy General Manager but not including Administrative Staff. An appropriate level of remuneration is set to ensure that the Company can recruit and retain Senior Management with the necessary skills, professional qualifications, experience, and compliance with the rules and policies of the Company. Market competitive remuneration is offered to individuals reflecting their experience, and contribution within the Company. The individual's performance is reviewed from time to time with changes in remuneration normally. In considering any increase in base salary, the Committee will mainly consider the role, changes in job scope, responsibility, and complexity. The total remuneration package is designed to provide an appropriate balance between fixed and variable components with a focus on long-term variable pay so that strong performance is incentivized but without encouraging excessive risk-taking.

Remuneration arrangements of Senior Management Personnel consist of the same elements as those of other employees i.e. Basic Salary, HRA, and other allowances, retirement benefits (i.e. Provident Fund and Gratuity as per the Company's Schemes applicable to all employees), and perquisites as per Rules of the Company applicable to all employees according to their seniority including insurance, car and fuel perquisites.

As applicable to all employees, Senior Management Personnel are entitled to avail themselves of 30 days of leave in a year and un-availed leave can be accumulated as per the Company's rules up to a maximum of 30 days.

INDEPENDENT AUDITORS' REPORT

To the Members of VTM Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of VTM Limited ("the Company"), which comprise the balance sheet as at March 31, 2026, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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, the aforesaid financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profits, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

The Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue from the sale of textile products (including fabric and garments) is recognized when control of the goods is transferred to the customer in accordance with the performance obligation agreed in the contract with the customers. This typically occurs upon delivery or shipment depending on the specific contractual terms (Incoterms) with domestic and international customers. We identified revenue recognition as a key audit matter because: (a) Volume and Complexity: The Company processes a high volume of transactions with diverse pricing structures, discounts, and incentives. (b) Cut-off Risk: There is a significant risk regarding the timing of revenue recognition, specifically whether revenue is recorded in the correct accounting period, particularly for exports in transit at the year-end. (c) Performance Targets: The pressure to meet financial targets may create an incentive to recognize revenue prematurely.	Our audit procedures to address the risk of material misstatement in revenue recognition included, but were not limited to, the following: • Internal Controls: We evaluated the design and tested the operating effectiveness of key internal financial controls over the revenue cycle, including order acceptance, shipping, invoicing and recording of sales. • IT Systems: We tested the general IT controls and relevant automated application controls within the ERP system governing the revenue process. • Contract Review: We examined a sample of significant sales contracts and shipping terms to verify the point of transfer of control in accordance with Ind AS 115, Revenue from Contracts with Customers. • Cut-off Testing: We performed rigorous cut-off procedures by selecting samples of sales transactions recorded immediately before and after the balance sheet date. We inspected underlying documents such as Goods Outward Notes (GON), Lorry Receipts (LR) and Bills of Lading to ensure revenue was recognized in the appropriate period. • Credit Notes: We reviewed credit notes issued and sales returns processed subsequent to the year-end to ensure there was no overstatement of revenue for the reporting period. • Circularization: We sent independent balance confirmations to a representative sample of trade receivables to verify the existence and accuracy of outstanding balances.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

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

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

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

Management’s and those charged with governance’s responsibility for the financial statements

The Company’s Board of Directors (those charged with governance) is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance 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 from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The management is responsible to ensure that the accounting software used by the Company for maintaining its books of account has the features of (a) recording an audit trail of each and every transaction and (b) creating an edit log of each change made in the books of account along with the date when such changes are made. The management is also responsible to ensuring that the audit trail is not disabled.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The Board of Directors (those charged with governance) are also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;



- (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 49 to the financial statements;
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - d. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,
 - i. no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- ii. no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii. Based on audit procedures carried out by us, that we have 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) contain any material misstatement.
- e. In our opinion and according to the information and explanations given to us, the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
- f. Based on the information and explanations given to us and based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. We also report that during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm's Registration No. 004915S/ S200036

(E K SRIVATSAN)

Partner

Membership No. 225064

UDIN:

Place: Chennai

Date: May 22, 2026

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of VTM Limited of even date)

1. (a) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

The Company does not have any intangible assets.

- (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) In our opinion and according to the information and explanations given to us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of title deeds that have been deposited with the bankers for availing loans, the Company is in the process of obtaining confirmation from the said banks in this respect.

In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.

- (d) The Company has not revalued its property, plant and equipment (including right of use asset) during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.
- (e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.

2. (a) The inventories have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

- (b) The Company has a sanctioned working capital limit in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

3. In our opinion and according to information and explanation given to us, the Company has not made investments in/ provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable.
4. In our opinion and according to information and explanation given to us, the Company has not granted any loans or provided any guarantees or given any security to which the provisions of section 185 of the Act are applicable.

In respect of investments made by the Company and loans given to parties other than those covered in Section 185 of the Act, the Company had complied with the provisions of section 186 of the Act.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, paragraph 3 (v) of the Order is not applicable.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
7. In our opinion and according to the information and explanations given to us:

- (a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

No undisputed amounts payable in respect of goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a), which have not been deposited on account of dispute are given below:

Statute	Nature of dues	Amount (INR - Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax*	2,60.13	2017-18	CIT (Appeal), Madurai
Tamilnadu Value Added Tax Act, 2006	Value added tax	92.12	2008-11	Appellate Deputy Commissioner (ST), Virudhunagar

* Net of taxes paid under protest

8. In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
9. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which they were availed.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.
- (e) The Company does not have any subsidiaries/ associates/ joint-ventures and accordingly, paragraphs 3 (ix) (e) and 3 (ix) (f) of the Order are not applicable.
10. (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.
11. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraphs 3 (xi) (a) and (b) of the Order are not applicable.
- (b) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints, have been received by the Company during the year.
12. The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system, commensurate with the size and nature of its business.
- (b) The reports of the internal auditors for the year under audit were considered by us, as part of our audit procedures.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.

16. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.
17. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.
19. In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is 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.
20. (a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified in Schedule VII to the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no amount remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
21. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For CNGSN & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.004915S/ S200036

(E K SRIVATSAN)

Partner

Membership No. 225064

UDIN:

Place: Chennai

Date: May 22, 2026



Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of VTM Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of VTM Limited (“the Company”) as at March 31, 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial control system over financial reporting.

Meaning of Internal Financial Controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036
(E K SRIVATSAN)
Partner
Membership No. 225064
UDIN:
Place: Chennai
Date: May 22, 2026



Balance Sheet as at March 31, 2026

(All amounts are in INR lakhs, unless otherwise stated)

Particulars		As at	As at
	Notes	March 31, 2026	March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4	12,167.78	10,723.90
Capital work in progress	5	52.13	209.92
Intangible assets under development	6	179.76	-
Right of use asset	4	108.88	116.12
Financial assets			
Investments	7	5,077.15	4,503.66
Loans	8	306.27	306.27
Other financial assets	9	214.05	194.62
Other non current assets	10	1,419.91	329.25
Total non-current assets		19,525.93	16,383.74
Current assets			
Inventories	11	15,201.49	9,561.45
Financial assets			
Investments	12	2,120.99	2,185.09
Trade receivables	13	5,114.53	7,378.87
Cash and cash equivalents	14	299.71	259.97
Bank balances other than above	15	88.83	75.89
Loans and advances	16	1,813.33	2,218.17
Other current assets	17	159.00	197.39
Current tax assets (net)	18	484.94	-
Total current assets		25,282.82	21,876.83
Total Assets		44,808.75	38,260.57
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	1,005.69	402.28
Other equity	20	30,493.39	30,240.15
Total equity		31,499.08	30,642.43

Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	1,060.31	-
Lease Liability	22	1.40	9.32
Other financial liabilities	23	5.33	4.83
Deferred Tax Liabilities (net)	24	1,206.61	1,139.94
Provisions	25	189.87	138.29
Other non current liabilities	26	73.32	75.77
Total non-current liabilities		2,536.84	1,368.15
Current liabilities			
Financial liabilities			
Borrowings	27	6,423.34	4,079.61
Lease Liability	28	7.92	7.17
Trade payables	29		
(a) total outstanding dues of micro enterprises and small enterprises		279.74	210.77
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,379.79	1,194.39
Other financial liabilities			
Other financial liabilities	30	2.28	2.28
Other current liabilities	31	654.72	704.50
Current tax liabilities (net)	32	-	51.27
Provisions	33	25.04	-
Total current liabilities		10,772.83	6,249.99
Total liabilities			
Total Equity and Liabilities		44,808.75	38,260.57

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

Sd/-
K. Thiagarajan
Chairman & Managing Director
DIN: 03638370

Place : Kappalur
Date : May 22, 2026

Sd/-
RM. Somasundaram
Director
DIN : 00071510

Sd/-
K. Preyatharshine
Company Secretary

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No.004915S/ S200036)

Sd/-
E K Srivatsan
Partner
Membership No.225064

Sd/-
P. Senthil Kumar
Chief Financial Officer

Statement of profit and loss for the year ended March 31, 2026

(All amounts are in INR lakhs, unless otherwise stated)

Particulars		Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
From continuing operations				
A	Income			
	Revenue from operations	34	37,198.13	34,452.68
	Other income	35	340.83	482.51
	Total income		37,538.96	34,935.19
B	Expenses			
	Cost of materials consumed	36	25,377.55	22,016.89
	Changes in inventories of work-in-progress, stock in trade and finished goods	37	(1,993.27)	(3,133.41)
	Employee Benefits Expense	38	2,662.79	2,087.27
	Finance costs	39	179.55	179.90
	Depreciation	40	1,134.94	942.36
	Other expenses	41	8,378.69	6,790.63
	Total expenses		35,740.25	28,883.64
C	Profit before exceptional items and tax		1,798.71	6,051.55
	Exceptional items (Refer Note 58)		(302.32)	-
D	Profit before tax from continuing operations		1,496.39	6,051.55
	Tax expenses			
	Current tax		376.35	1,551.62
	Tax adjustments based on assessments received		19.22	(17.52)
	Deferred tax charge/ (credit)		(19.06)	(19.96)
	Profit for the year		1,119.88	4,537.41

E	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		3.28	(10.95)
	Fair value gain on equity instruments		573.49	422.88
	Income tax adjustment relating to these items		(85.73)	(205.74)
	Other comprehensive income for the year, net of tax		491.04	206.19
	Total comprehensive Income for the year		1,610.92	4,743.60
	Earnings per share			
	Basic earnings per share		1.11	4.51
	Diluted earnings per share		1.11	4.51

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

Sd/-

K. Thiagarajan

Chairman & Managing Director

DIN: 03638370

Place : Kappalur

Date : May 22, 2026

Sd/-

RM. Somasundaram

Director

DIN : 00071510

Sd/-

K. Preyatharshine

Company Secretary

As per our report of even date attached

For CNGSN & ASSOCIATES LLP

Chartered Accountants

(Firm Registration No.004915S/ S200036)

Sd/-

E K Srivatsan

Partner

Membership No.225064

Sd/-

P. Senthil Kumar

Chief Financial Officer

Statement of cash flows for the year ended March 31, 2026

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Cash Flow From Operating Activities		
Profit before income tax	1,496.39	6,051.55
Adjustments for		
Depreciation and amortisation expense	1,134.94	942.36
(Profit)/ Loss on sale of property, plant and equipment	(21.86)	(21.97)
(Profit)/ Loss on sale of investments	(13.30)	(98.80)
Finance costs	179.55	179.90
Fair value changes of investments considered in the profit and loss	(92.02)	(125.52)
Interest income	(26.72)	(13.00)
Dividend income	(81.71)	(146.28)
Unrealised foreign exchange (gain)/ loss on borrowings	254.56	-
Allowance on expected credit loss	(1.01)	2.13
	2,828.82	6,770.37
Change in operating assets and liabilities		
(Increase)/ decrease in loans and advances	395.72	(736.38)
(Increase)/ decrease in other financial assets	(19.43)	(11.71)
(Increase)/ decrease in other assets	(1,052.27)	(149.95)
(Increase)/ decrease in inventories	(5,640.04)	(3,716.25)
(Increase)/ decrease in trade receivables	2,274.48	(4,883.76)
Increase/ (decrease) in provisions and other liabilities	20.99	346.07
Increase/ (decrease) in trade payables	2,254.37	(229.05)
Cash generated from operations	1,062.64	(2,610.66)
Less : Income taxes paid (net of refunds)	(931.78)	(1,145.05)
Net cash from operating activities (A)	130.86	(3,755.71)
Cash Flows From Investing Activities		
Purchase of PPE and changes in CWIP (net of government grants)	(2,609.22)	(2,177.83)
Sale proceeds of PPE (including compensation from government)	37.53	57.24
(Purchase)/ disposal proceeds of Investments (current)	169.42	2,758.43

(Investments in)/ Maturity of fixed deposits with banks	(12.94)	2.08
Dividend income	81.71	146.28
Interest income	26.72	13.00
Net cash used in investing activities (B)	(2,306.78)	799.20
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) long term borrowings (net)	1,014.41	(138.63)
Proceeds from/ (repayment of) short term borrowings (net)	2,134.76	3,854.82
Finance costs	(179.24)	(179.90)
Dividend paid	(754.27)	(402.28)
Net cash from/ (used in) financing activities (C)	2,215.66	3,134.01
Net increase in cash and cash equivalents (A+B+C)	39.74	177.50
Cash and cash equivalents at the beginning of the financial year	259.97	82.47
Cash and cash equivalents at end of the year	299.71	259.97
Notes:		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow State-ments".		
2. Components of cash and cash equivalents		
Balances with banks		
in current accounts	294.06	250.62
Cash on hand	5.65	9.35
	299.71	259.97

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

Sd/-

K. Thiagarajan

Chairman & Managing Director

DIN: 03638370

Place : Kappalur

Date : May 22, 2026

Sd/-

RM. Somasundaram

Director

DIN : 00071510

Sd/-

K. Preyatharshine

Company Secretary

As per our report of even date attached

For CNGSN & ASSOCIATES LLP

Chartered Accountants

(Firm Registration No.004915S/ S200036)

Sd/-

E K Srivatsan

Partner

Membership No.225064

Sd/-

P. Senthil Kumar

Chief Financial Officer



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

(All amounts are in INR lakhs, unless otherwise stated)

(A) Equity Share Capital				
Balance as at April 1, 2024				402.28
Changes in equity share capital due to prior period errors				-
Changes in equity share capital during the year				-
Balance at the end of March 31, 2025				402.28
Changes in equity share capital due to prior period errors				-
Changes in equity share capital during the year				-
Bonus shares issued by capitalisation of reserves				603.41
Balance at the end of March 31, 2026				1,005.69
(B) Other Equity				
Particulars	General Reserve	Other Comprehensive Income	Retained Earnings	Total
Balance as at April 1, 2024	18,076.66	3,727.14	4,095.03	25,898.83
Changes due to prior period errors	-	-	-	-
Dividend paid	-	-	(402.28)	(402.28)
Additions/ (Deductions) during the year	-	10.95	(10.95)	-
Total Comprehensive Income for the year	-	206.19	4,537.41	4,743.60
Balance as at March 31, 2025	18,076.66	3,944.28	8,219.21	30,240.15
Changes due to prior period errors	-	-	-	-
Dividend paid	-	-	(754.27)	(754.27)
Additions/ Deductions during the period		(3.28)	3.28	-
Bonus shares issued by capitalisation of re-serves	(603.41)			(603.41)
Total Comprehensive Income for the period	-	491.04	1,119.88	1,610.92
Balance as at March 31, 2026	17,473.25	4,432.04	8,588.10	30,493.39

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board of Directors

Sd/-
K. Thiagarajan
Chairman & Managing Director
DIN: 03638370

Place : Kappalur
Date : May 22, 2026

As per our report of even date attached

For CNGSN & ASSOCIATES LLP

Chartered Accountants
(Firm Registration No.004915S/ S200036)

Sd/-
E K Srivatsan
Partner
Membership No.225064

Sd/-
P. Senthil Kumar
Chief Financial Officer

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

Corporate Information

1 VTM Limited was established in 1946 with the founding principles of setting standards in weaving by ensuring that the best of weaving technology was always available. Today, the Company is well-established with unique capabilities that allows to cater to exotic constructions in weaving. It has also expanded the capabilities to include special weaves and combinations. 255 state-of-the-art looms take pride of place in the manufacturing unit. 80 Sulzer machines, 06 Rapier leno looms, 163 Air jets and 06 Jacquard machines work in tandem to produce 1.7 million meters of fabric every month. It is also equipped with adequate equipment to cater to special fabric manufacturing in fine counts and complex specifications.

2 Basis of preparation of financial statements

Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on May 22, 2026

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment assessment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE)

The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has modified the existing Ind AS 1, which deals with the presentation of financial statements. The amendments clarify the classification of liabilities as current or non current when an entity breaches a condition of a long term loan arrangement on or before the reporting date. Specifically, if a covenant breach exists such that the liability becomes payable on demand at the reporting date, the liability must be classified as current, regardless of whether the lender subsequently agrees (after the reporting date but before the financial statements are approved) not to demand payment. These amendments are applicable for annual reporting periods beginning on or after April 1, 2026.

The Company made an assessment of the possible impact of the above amendments, to the extent applicable to the Company, and concluded that the above amendments will not have any significant impact on the Company on a go-forward basis.

3 Material Accounting Policy Information

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 3 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

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

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 market 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; and

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue from contracts with customers

Sale of goods

Revenue from sale of goods is recognised as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring goods to the customer. The Company does not have any non-cash consideration.

Revenue is measured at the transaction price received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Sale of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract and as per the terms of the contract.

Power Generation

Power generated from windmills that are covered under wheeling and banking arrangement with the State Electricity Board/ Electricity Distribution Companies are consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue.

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Sale of scrap

Scrap sale is recognised as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers. Revenue is measured at the transaction price received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods after deducting discounts, and applicable taxes on sale.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Rental Income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease as per Ind AS 116.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.



d) Property, plant and equipment and capital work in progress

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified for our plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a written down value method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5,000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method as follows:

(i) Raw materials, packing materials and consumables: At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.

(ii) Work-in-process and intermediates: At material cost, conversion costs and appropriate share of production overheads

(iii) Finished goods: At material cost, conversion costs and an appropriate share of production overheads.

g) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets



Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity’s business model of managing them.

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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 profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Tradereceivables,Loansgiventoemployeesand others, deposits, interest receivable, unbilled revenueandotheradvancesrecoverableincash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.

FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).
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Derecognition

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Financial assets that are debt instruments and are measured at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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 Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

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 as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a 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 recognized initially at fair value and attributable transaction costs are recognized in net profit 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.

Derecognition of financial liabilities

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the profit or loss
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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

h) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with Foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

j) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

k) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed 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 assets and liabilities are 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 at the reporting date.

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

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

l) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

As per the policy of the Company, compensated absences to be carried forward to the subsequent financial year upto a limit of 30 days. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

m) Leases

As a lessee

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment.

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

n) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

o) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

q) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.



Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

r) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

(All amounts are in INR lakhs, unless otherwise stated)

4 Property, plant and equipment

Particulars	Tangible Assets						ROU Asset	
	Land - Freehold	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total	Land - Leasehold
Cost as at March 31, 2024	3,457.81	2,038.24	8,484.18	104.10	119.49	41.30	14,245.12	169.77
Additions	0.74	402.97	1,489.52	27.65	91.48	15.57	2,027.93	-
Disposals/ adjustments	-	(34.31)	-	-	(0.92)	(0.04)	(35.27)	-
Cost as at March 31, 2025	3,458.55	2,406.90	9,973.70	131.75	210.05	56.83	16,237.78	169.77
Additions	-	1,192.87	1,226.62	74.17	64.90	28.69	2,587.25	-
Disposals/ adjustments	-	-	(11.42)	-	(4.25)	-	(15.67)	-
Cost as at March 31, 2026	3,458.55	3,599.77	11,188.90	205.92	270.70	85.52	18,809.36	169.77
Depreciation as at March 31, 2024	-	512.36	3,919.55	50.21	72.09	24.55	4,578.76	46.41
Charge for the year	-	93.63	814.54	9.16	11.48	6.31	935.12	7.24
Disposals/ adjustments	-	-	-	-	-	-	-	-
Depreciation as at March 31, 2025	-	605.99	4,734.09	59.37	83.57	30.86	5,513.88	53.65
Charge for the year	-	150.53	932.70	15.40	21.00	8.07	1,127.70	7.24
Disposals/ adjustments	-	-	-	-	-	-	-	-
Depreciation as at March 31, 2026	-	756.52	5,666.79	74.77	104.57	38.93	6,641.58	60.89
Net Block								
As at March 31, 2025	3,458.55	1,800.91	5,239.61	72.38	126.48	25.97	10,723.90	116.12
As at March 31, 2026	3,458.55	2,843.25	5,522.11	131.15	166.13	46.59	12,167.78	108.88

Note: The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) during the year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

Disposals and adjustments include the effect of government grants received for property, plant and equipment and compulsory acquisition of partial land of the Company by the Government.



		As at	As at
		March 31, 2026	March 31, 2025
5	Capital Work-in-progress		
	Capital work in progress	52.13	209.92
		52.13	209.92

Refer Note No.54 (a) for information relating to ageing schedule of CWIP

6	Intangible assets under development		
	Intangible assets under development	179.76	-
		179.76	-

Refer Note No.54 (b) for information relating to ageing schedule of CWIP

7 Non-current investments

Investment in other companies at FVTOCI

Quoted

Multi Commodity Exchange of India Ltd [345 equity shares of INR 2 each (previous year 69 equity shares of INR 10 each) fully paid]	8.25	3.66
Groarc Industries India Ltd (Formerly known as Telesys Software Limited) [19,000 (previous year 19,000) equity shares of INR 10 each fully paid]	0.99	1.18
Integrated Hi-Tech Limited [1,800 (previous year 1,800) equity shares of INR 10 each fully paid]	0.08	0.05

Unquoted *

Thiagarajar Mills Private Limited [70,140 (previous year : 70,140) equity shares of INR 10 each fully paid]	5,045.71	4,478.03
Colour Yarns Limited [106,000 (previous year 106,000) equity shares of INR 10 each fully paid]	20.14	18.76
SIMA Textile Processing Centre Ltd [19,840 (previous year 19,840) equity shares of INR 10 each fully paid]	1.98	1.98
	5,077.15	4,503.66

* Fair values have been determined to the extent of information available with the Company in respect of the investments in unlisted companies. In the opinion of the management, the impact of fair value changes, if any, is not considered to be material

Aggregate cost of quoted investments	0.71	0.71
Aggregate market value of quoted investments	9.32	4.89
Aggregate cost of unquoted investments	19.83	19.83

	Aggregate amount of impairment in value of investments	-	-
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8	Non-current Loans (at amortised cost)		
	Unsecured - considered good		
	Other Loans	306.27	306.27
	Loans which have significant increase in credit risk	-	-
	Loans - Credit impaired	-	-
		306.27	306.27

Note :The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.

9	Other non-current financial assets		
	Unsecured - considered good		
	Security deposits	210.45	191.28
	Bank Deposits (Maturing after 12 months from end of the reporting period)	3.60	3.34
	Others	-	
	Loans and receivables which have significant increase in credit risk	-	-
	Loans and receivables - credit impaired	-	-
		214.05	194.62

		As at	As at
		March 31, 2026	March 31, 2025

10	Other non-current assets		
	Unsecured - considered good		
	Capital Advances	1,419.91	329.25
		1,419.91	329.25

11	Inventories		
	Raw Materials		
	Yarn	1,413.99	1,172.52
	Cloth	6,119.92	2,755.39
	Work-in-progress		
	Yarn	1,196.41	749.29
	Cloth	83.79	101.67
	Made Ups / Processed	2,641.46	580.95
	Finished Products		
	Cloth	1,267.26	1,202.07
	Made Ups / Processed	2,276.38	2,837.65
	Waste	0.99	1.39
	Stores and spares	179.74	160.51
	Loose tools	0.01	0.01
	Goods in transit	21.54	-
		15,201.49	9,561.45

12	Current Investments		
	Investments carried at fair value through profit or loss		
	Investment in Mutual Funds - Quoted		
	ICICI Prudential Asset Allocator Fund	283.88	277.43
	ICICI Prudential Equity Savings Fund Direct Growth	922.84	886.46
	ICICI Prudential Corporate Credit Opportunities Fund AIF	28.39	191.93
	Absl Money Manager Fund	51.52	48.31
	Invesco India Arbitrage Fund	834.36	780.96
		2,120.99	2,185.09
	Aggregate cost of quoted investments	1,542.70	1,728.59
	Aggregate market value of quoted investments	2,120.99	2,185.09
	Aggregate cost of unquoted investments	-	-
	Aggregate amount of impairment in value of investments	-	-

13	Trade receivables		
	Secured - considered good	-	-
	Unsecured, considered good	5,114.53	7,378.87
	Trade receivable which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	10.72	20.85
		5,125.25	7,399.72
	Less: Allowance for expected credit loss	(10.72)	(20.85)
		5,114.53	7,378.87

Note:

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer Note No. 55 for information about risk profile of Trade Receivables under Financial Risk Management. Refer Note No. 54 (c) for the Ageing Schedule of Trade Receivables

		As at	As at
		March 31, 2026	March 31, 2025

14	Cash and cash equivalents		
	Cash on Hand	5.65	9.35
	Balances with Banks		
	- In current accounts	294.06	250.62
		299.71	259.97

15	Other bank balances		
	In ear-marked accounts		
	- Unpaid dividend accounts	87.61	75.89
	- Unspent CSR accounts	1.22	-
		88.83	75.89

16	Current financial assets - Loans and Advances		
	Unsecured - considered good		
	Balances with government authorities	1,779.32	2,175.62
	Security Deposits	8.46	8.39
	Loans and advances - other than related parties	25.55	34.16
	Loans and advances which have significant increase in credit risk	-	-
	Loans and advances credit impaired	17.49	8.37
		1,830.82	2,226.54
	Less: Allowance for expected credit loss	(17.49)	(8.37)
		1,813.33	2,218.17

Note :The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.



17	Other current assets		
	(Unsecured, considered good)		
	Advance to suppliers	117.00	169.56
	Prepaid expenses	42.00	27.83
		159.00	197.39

18	Current tax assets		
	Advance income tax (net of provision for tax)	484.94	-
		-	
		484.94	-

19	Capital		
	Authorised Share Capital		
	11,00,00,000 (Previous year 10,00,00,000) Equity shares of Re. 1 each	1,100.00	1,000.00
		1,100.00	1,000.00
	Issued Share Capital		
	10,05,69,000 (Previous year 4,02,27,600) Equity shares of Re. 1 each	1,005.69	402.28
		1,005.69	402.28
	Subscribed and fully paid up share capital		
	10,05,69,000 (Previous year 4,02,27,600) Equity shares of Re. 1 each	1,005.69	402.28
		1,005.69	402.28

Notes:		As at	As at
		March 31, 2026	March 31, 2025
1)	Reconciliation of number of equity shares sub-scribed		

	Balance as at the beginning of the year	40,227,600	40,227,600
	Add : Bonus shares issued by capitalisation of reserves	60,341,400	-
	Balance as at the beginning and end of the year	100,569,000	40,227,600
2)	The Company has no Holding or Subsidiary Companies.		
3)	Details of shares issued consideration other than cash during the last five years immediately preceding the date of Balance Sheet		
	The Company has issued bonus shares of 6,03,41,400 by capitalisation of reserves during May 2025. There are no buy back of shares during the last five years immediately preceding the date of Balance Sheet.		
4)	Rights, preferences and restrictions in respect of equity shares issued by the Company		
(a)	The company has issued only one class of equity shares having a par value of Re. 1 each. The equity shares of the company having par value of Re.1/- rank pari-passu in all respects including voting rights and entitlement to dividend.		
(b)	In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.		
5)	Shareholders holding more than 5% of the total share capital		

Name of the share holder	March 31, 2026		March 31, 2025	
	No. of shares held	% of holding	No. of shares held	% of holding
Estate of T.Kannan, Partner, Guruvayoorappan Investments*	1,88,00,000	18.69%	75,20,000	18.69%
Estate of T.Kannan, Partner, Avittam Investments*	1,87,50,000	18.64%	75,00,000	18.64%
Estate of T.Kannan, Partner, Karumuttu Investments*	1,54,75,000	15.39%	61,90,000	15.39%
M/s. Thiagarajar Mills Private Limited	66,95,000	6.66%	26,78,000	6.66%

	* Sri T.Kannan demised in May 2023 and the consequential changes has been effected in the respective partnership firms listed above. The Company is in the process of getting the name of the holder changed to the name of continuing partner of the aforesaid firms.		
6)	Shareholding of promoters		
	Shares held by promoters at the end of the year		
	Name of the promoter	% of change during the year	
	Estate of T.Kannan, Partner, Guruvayoorappan Investments *	Nil	
	Estate of T.Kannan, Partner, Avittam Investments *	Nil	
	Estate of T.Kannan, Partner, Karumuttu Investments *	Nil	
	M/s. Thiagarajar Mills Private Limited	Nil	
	Estate of T.Kannan, Partner, Thirumagal Investments *	Nil	
	Sree Thiagaraja Finance Private Limited	Nil	
	Sree Devi Karumari Finance Private Limited	Nil	
	Ms . Radha Kannan	Nil	
	Mr. K . Thiagarajan	Nil	
	* Sri T.Kannan demised in May 2023 and the consequential changes has been effected in the respective partnership firms listed above. The Company is in the process of getting the name of the holder changed to the name of continuing partner of the aforesaid firms.		

		As at	As at
		March 31, 2026	March 31, 2025
20	Other Equity		
	General Reserve	17,473.25	18,076.66
	Other Comprehensive Income	4,432.04	3,944.28
	Profit and Loss Account	8,588.10	8,219.21
		30,493.39	30,240.15
	a) General reserve		
	Balance at the beginning of the year	18,076.66	18,076.66
	Additions during the year	-	-

	Deductions/Adjustments during the period		
	Bonus shares issued by capitalisation of reserves	(603.41)	-
	Balance at the end of the year	17,473.25	18,076.66
	General Reserve represents the reserve created in accordance with Companies Act, 2013 by transferring a portion of profit of the year. This is a free reserve and the Company can use it for declaration of dividends, subject to the conditions prescribed by the Companies Act, 2013.		
	b) Other comprehensive income		
	Balance at the beginning of the year	3,944.28	3,727.14
	Additions during the year	491.04	206.19
	Deductions/ Adjustments during the year	(3.28)	10.95
	Balance at the end of the year	4,432.04	3,944.28
	Other comprehensive income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers the amounts recognised in OCI to the Retained Earnings, except in the case of fair value recognition of equity instruments. The effect of fair valuation of equity instruments, including the profit on sale of such investments will be recognised in OCI and will be transferred to retained earnings only when the respective equity instruments are derecognised.		
	c) Profit and loss account		
	Balance at the beginning of the year	8,219.21	4,095.03
	Net profit for the year	1,119.88	4,537.41
	Final dividends paid	(754.27)	(301.71)
	Interim dividends paid	-	(100.57)
	Transfer from Other Comprehensive Income	3.28	(10.95)
	Transfer to General Reserve	-	-
	Balance at the end of the year	8,588.10	8,219.21

	Profit and Loss account represent the undistributed profits of the Company remaining after transfer to other Reserves. This is a free reserve and the Company can use it for declaration of dividends, subject to the conditions prescribed by the Companies Act, 2013.		

		As at	As at
		March 31, 2026	March 31, 2025
	Non-Current Liabilities - Financial Liabilities: Borrowings		
	Secured		
21	From Banks **	1,060.31	45.59
	Less : Current maturities of long term borrowings (refer note 27)	-	(45.59)
		1,060.31	-

Note : The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees

** Terms of loan and security details

- 1) Term loan - II availed from HDFC Bank by securing first charge on the specific assets procured under ATUF Scheme - repayable in 5 years on half yearly basis, commencing from February 25, 2021. This loan has been fully repaid in the current year.
- 2) Term loan - III availed from HDFC Bank by securing first charge on the specific assets procured under ATUF Scheme - repayable in 5 years on quarterly basis, commencing from August 15, 2020. This loan has been fully repaid in the current year.
- 3) Working Capital Term Loan availed from State Bank of India (SBI) under the Export Credit Guarantee Scheme (ECGS) by securing second charge on the entire current assets and Machineries/ equipment purchased out of the Capex LC limits already availed with SBI. The loan is repayable in 3 years on monthly basis, commencing from April 2027.

	Lease Liability		
22	Lease Liability	1.40	9.32
		1.40	9.32

	Other non-current financial liabilities		
23	Lease rent advance	5.33	4.83
		5.33	4.83

	Deferred Tax Liability		
	On fixed assets	430.86	435.42
	Remeasurement of financial assets	853.47	746.10
		1,284.33	1,181.52
	Deferred Tax Asset		
24	Gratuity	75.76	39.65
	On others	1.96	1.93
		77.72	41.58
	Net deferred tax liability	1,206.61	1,139.94
		1,206.61	1,139.94

	Long term Provisions		
25	Provision for gratuity	168.09	138.29
	Provision for compensated absences	21.78	-
		189.87	138.29



		As at	As at
		March 31, 2026	March 31, 2025

26	Other non current liabilities		
	Lease prepayment liability	73.32	75.77
		73.32	75.77

27	Current Liabilities - Financial Liabilities: Borrowings		
	Packing credit limit from Banks	6,423.34	4,034.02
	Current maturities of long term borrowings (refer note 21)	-	45.59
		6,423.34	4,079.61

28	Lease Liability		
	Lease Liability	7.92	7.17
		7.92	7.17

29	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	279.74	210.77
	Total outstanding dues of creditors other than micro enterprises and small enterprises	3,379.79	1,194.39
		3,659.53	1,405.16

Refer Note 54 (d) for the Ageing Schedule of Trade Payables

30	Other current financial liabilities		
	Security Deposits	2.28	2.28
		2.28	2.28

31	Other current liabilities		
	Creditor for capital goods	77.96	43.22
	Unpaid dividends	87.61	75.89
	Statutory dues payable	68.71	41.45
	Employee payables	174.78	112.75
	Advance from Customers	164.53	165.56
	Remuneration payable to Chairman and MD	50.00	250.00
	Unspent CSR carried forward	31.13	15.63
		654.72	704.50

32	Current tax liabilities		
	Provision for tax (Net of advance tax)	-	51.27
		-	51.27

33	Short term Provisions		
	Provision for gratuity	19.93	-
	Provision for compensated absences	5.11	-
		25.04	-

		For the year ended	For the year ended
		March 31, 2026	March 31, 2025
34	Revenue from operations		
	Sale of Products		
	Cloth	16,139.28	15,251.56
	Made ups	19,278.07	18,150.60
	Yarn and cloth waste	292.78	181.69
		35,710.13	33,583.85
	Sale of Services		
	Job work charges received	-	-
	Other Operating Revenue		
	Foreign exchange gain (net)	391.62	226.14
	Duty drawback	376.27	235.17
	Income from Duty Credit Scrips	720.11	407.52
		37,198.13	34,452.68

35	Other income		
	Interest Income	26.72	13.00
	Dividend Income	81.71	146.28
	Income on fair valuation of investment in mutual funds	92.02	125.52
	Profit on sale of fixed assets	21.86	21.97
	Profit on sale of Investments	-	98.80
	Other non operating income	117.51	76.94
	Reversal of Allowances for expected credit loss (net)	1.01	-
		340.83	482.51

36	Cost of materials consumed		
	Opening stock	3,927.91	3,332.21
	Add : Purchases	28,983.55	22,612.59
	Less : Closing Stock	(7,533.91)	(3,927.91)
		25,377.55	22,016.89

37	Changes in inventories of work-in-progress, stock in trade and finished goods		
	Opening stock of		
	Work-in-progress		
	Yarn	749.29	618.36
	Cloth in Process	101.67	106.44
	Made Ups/ Processed	580.95	215.76
	Finished goods		
	Cloth	1,202.07	1,163.06
	Made Ups/ Processed	2,837.65	233.62
	Waste	1.39	2.37
		5,473.02	2,339.61
	Closing stock of		
	Work-in-progress		
	Yarn	1,196.41	749.29
	Cloth in Process	83.79	101.67
	Made Ups/ Processed	2,641.46	580.95
	Finished goods		
	Cloth	1,267.26	1,202.07
	Made Ups/ Processed	2,276.38	2,837.65
	Waste	0.99	1.39
		7,466.29	5,473.02
	(Increase)/ Decrease in inventories	(1,993.27)	(3,133.41)

		For the year ended	For the year ended
		March 31, 2026	March 31, 2025
38	Employee benefits expense		
	Salaries and wages	2,065.40	1,568.18
	Contribution to provident and other funds	191.00	81.52
	Staff and workmen welfare expenses	406.39	437.57
		2,662.79	2,087.27

39	Finance Cost		
	Interest on		
	Term Loans from Banks	1.67	10.88
	Packing Credit facilities from Banks	162.87	94.58
	Finance charges		
	Others	15.01	74.44
		179.55	179.90

40	Depreciation		
	Depreciation of property, plant and equipment	1,127.70	935.12
	Depreciation of right of use asset	7.24	7.24
		1,134.94	942.36

41	Other expenses		
	Power and fuel	917.38	1,103.85
	Consumption of stores and spare parts	1,180.44	1,120.74
	Bleaching and Processing charges - Cloth	3,309.74	2,080.75
	Rent	111.62	129.79
	Repairs to buildings	153.48	191.54
	Repairs to machinery	218.47	291.58
	Insurance	60.15	39.37
	Rates and taxes	59.04	36.06
	Payment to Auditors		
	- for Statutory Audit and Limited review	7.25	7.25
	- for Reimbursement of expenses	0.61	0.32
	Selling expenses	395.73	239.18
	Brokerage expenses	1,224.77	872.10
	Corporate social responsibility expenditure (refer note 42)	57.50	27.88
	Legal and Professional charges	136.77	73.68
	Loss on sale of investment	13.30	-
	Directors sittings fees and travelling expenses	3.15	2.23
	Commission to Chairman and Managing Director	50.00	250.00
	Allowance for expected credit loss	-	2.13
	Travelling and conveyance expenses	266.17	162.89
	Miscellaneous expenses	213.12	159.29
		8,378.69	6,790.63

42	Expenditure on Corporate Social Responsibility		
(i)	Gross amount required to be spent on CSR expenditure in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014	56.26	28.01
(ii)	Amount unspent/ (excess spent) carried forward from earlier years	15.63	(0.13)
(iii)	Amount actually spent during the year on		
	a) Promotion of Education	41.68	7.77
	b) Others	0.46	4.48
		42.14	12.25
(iv)	(Excess amount spent carried forward)/ Short fall transferred to special account	29.75	15.63
(v)	The details of related party transactions in relation to CSR expenditure are furnished in Note No.56		

		For the year ended	For the year ended
		March 31, 2026	March 31, 2025
43	Income tax expense		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	376.35	1,551.62
	Tax adjustments based on assessments received	19.22	(17.52)
	Total current tax expense	395.57	1,534.10
	Deferred tax		
	Deferred tax adjustments	(19.06)	(19.96)
	Total deferred tax expense/ (benefit)	(19.06)	(19.96)
	Income tax expense	376.51	1,514.14
	b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax from continuing operations	1,496.39	6,051.55
	Income tax expense calculated at 25.168% (Previous year : 25.168%)	376.61	1,523.05
	Effect of expenses/ (income) that are treated differently for tax purposes		
	CSR Expenditure	14.47	7.02
	Dividend Income Exempt	(12.36)	(13.24)
	Differential tax on capital gains	-	63.64

Others	(2.37)	(28.85)
Income tax expense	376.35	1,551.62
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation and equity instruments	(85.73)	(205.74)

d) Movement of deferred tax expense during the year ended March 31, 2026

Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income/ Equity	Closing balance
Property, plant, and equipment	(435.42)	4.56	-	(430.86)
Expenses allowable on payment basis under the Income Tax Act	39.65	36.11	-	75.76
Remeasurement of financial instruments	(746.10)	(21.64)	(85.73)	(853.47)
Others	1.93	0.03	-	1.96
Total	(1,139.94)	19.06	(85.73)	(1,206.61)

Movement of deferred tax expense during the year ended March 31, 2025				
Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income/ Equity	Closing balance
Property, plant, and equipment	(456.11)	20.69	-	(435.42)
Expenses allowable on payment basis under the Income Tax Act	60.89	(21.24)	-	39.65
Remeasurement of financial instruments	(560.69)	20.33	(205.74)	(746.10)
Others	1.75	0.18	-	1.93
Total	(954.16)	19.96	(205.74)	(1,139.94)

Total income tax recognised in other comprehensive income	(85.73)	(205.74)
	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Earnings per share		
Profit for the year attributable to owners of the Company	1,119.88	4,537.41
44 Weighted average number of ordinary shares outstanding	100,569,000	100,569,000
Basic earnings per share (INR)	1.11	4.51
Diluted earnings per share (INR)	1.11	4.51

45	Earnings in foreign currency		
	FOB value of exports	21,477.84	21,183.88

46	Expenditure in foreign currency (net of withholding tax)		
	Commission	26.43	300.65
	Selling expenses	84.46	58.26
		110.89	358.91

47	Value of Imports calculated on C.I.F basis		
	Components and spare parts	53.24	86.51
	Capital goods	500.26	253.94
		553.50	340.45

48	Value of imported and indigenous Raw Materials and Stores and Spares consumed during the financial year and the percentage of each to the total consumption				
	Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
		In INR Lakhs	Percentage (%)	In INR Lakhs	Percentage (%)
	Value of raw materi-als consumed				
	Imported	-	-	-	-
	Indigenous	25,377.55	100.00	22,016.89	100.00
		25,377.55	100.00	22,016.89	100.00
	Value of Stores and Spares Consumed				
	Imported	53.24	4.51	86.51	7.72
	Indigenous	1,127.20	95.49	1,034.23	92.28
		1,180.44	100.00	1,120.74	100.00

49	Commitments and contingent liability		
	Particulars	As at March 31, 2026	As at March 31, 2025
	(a) Contingent Liabilities **		
	Tax Demands and PF Arrears under dispute	-	62.37
	Electricity peak hour penalty dispute	35.68	35.68
	Income tax demands	325.17	325.17
	Claims against the Company by a customer not acknowledged as debt	110.61	110.61
	VAT demands	92.12	
	Bills discounted	524.04	407.68
	Bank Guarantees/ Letter of Credits	1.61	1.61
	(b) Commitments		
	Estimated amount of contracts remaining to be executed on capital accounts and not provided for	557.36	857.96

** The management believes, based on internal assessment and/ or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the company is not probable and accordingly, no provision for the same is considered necessary.

50	Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under	As at	As at
		March 31, 2026	March 31, 2025
	(a) The principal amount remaining unpaid at the end of the year	279.74	210.77
	(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
	(c) Interest actually paid under Section 16 of MSMED Act	-	-
	(d) Normal Interest due and payable during the year, for delayed payments, as per the agreed terms	-	-
	(e) Total interest accrued during the year and remaining unpaid	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

51	Operating Segments		
	The company is engaged in the business of manufacturing of “Textiles” and therefore, has only one reportable segment in accordance with Ind AS 108 ‘Operating Segments’.		
	Information relating to geographical areas		
	(a) Revenue from external customers		
	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	India	14,194.50	12,364.34
	Rest of the world	21,515.63	21,219.51
	Total	35,710.13	
	(b) Non current assets		
	The manufacturing facilities of the Company are situated in India and no non-current assets are held outside India.		
	(c) Information about major customers		
	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	Number of external customers each contributing more than 10% of total revenue	1	1
	Total revenue from the above customers	19,119.25	15,942.89

52	Leases		
	As Lessor		
	The Company has entered into operating lease arrangements for certain surplus facilities. The leases are non cancellable and may be renewed based on mutual agreement of the parties.		
	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	Total lease income recognised in the Statement of Profit and Loss	1.00	1.00
	Undiscounted lease payments to be received		
	Within 5 years	5	5.00
	Later than 5 years	24.67	25.67

As Lessee

The Company has entered into both operating lease arrangements and finance lease arrangements for certain facilities. Some leases are non cancellable at the option of either party to lease and others are cancellable at the option of the lease. The Lease may be renewed based on mutual agreement of the parties.

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	Expense relating to leases of low-value assets accounted for applying para 6 of Ind AS 116	111.62	129.79
	Right of use asset as on the opening date	116.12	123.36
	Additions during the year	-	-
	Depreciation charge for the year	7.24	7.24
	Closing balance of Right of use asset	108.88	116.12
	Total Cash outflow for finance lease arrangements	111.62	129.79

53	Government Grants		
	The details of Government Grants received by the Company are as follows		
	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	Duty drawback on exports	376.27	235.17
	RoTDEP and other incentives	720.11	407.52
	Interest subvention of export finance	3.62	-

There are no unfulfilled conditions and other contingencies attached to government assistance that has been recognised in the financial statements.

54	Additional regulatory and other information as required by the Schedule III to the Companies Act 2013					
	(a) Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2026					
	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	(i) Projects in Progress	52.13	-	-	-	52.13
	(ii) Projects temporarily suspended	-	-	-	-	-
		52.13	-	-	-	52.13
	Note: The Company do not have any projects whose activity has been suspended.					
	Ageing Schedule of Capital Work-in-Progress (CWIP) - March 2025					
	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	(i) Projects in Progress	209.92	-	-	-	209.92
	(ii) Projects temporarily suspended	-	-	-	-	-
		209.92	-	-	-	
	Note: The Company do not have any projects whose activity has been suspended.					
	(b) Ageing Schedule of Intangible Assets under development (IAUD) - March 2026					
	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	

	(i) Projects in Progress	179.76	-	-	-	179.76
	(ii) Projects temporarily suspended	-	-	-	-	-
		179.76	-	-	-	179.76
	Note: The Company do not have any projects whose activity has been suspended.					
	Ageing Schedule of Intangible Assets under development (IAUD) - March 2025					
	Particulars	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	(i) Projects in Progress	-	-	-	-	-
	(ii) Projects temporarily suspended	-	-	-	-	-
		-	-	-	-	-
	Note: The Company do not have any projects whose activity has been suspended.					
	(c) Ageing Schedule of Trade Receivables					
	As at March 31, 2026					
	Particulars	Outstanding for following periods from due date of payment				
		Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years
	Undisputed Trade Receivables					
	(i) Considered good	1,693.23	3,395.26	26.04	-	-
	(ii) Which have significant increase in credit risk	-		-		-
	(iii) Credit impaired	-	-	-	2.22	1.44
		-	-	-	-	-



		Disputed Trade Receivables					
		(i) Considered good	-	-	-	-	-
		(ii) Which have significant in-crease in credit risk	-	-	-	-	-
		(iii) Credit impaired	-	-	-	-	-
			1,693.23	3,395.26	26.04	2.22	1.44
		As at March 31, 2025					
		Particulars	Outstanding for following periods from due date of payment				
			Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years
		Undisputed Trade Receivables					
		(i) Considered good	3,630.35	3,744.23	4.29	-	-
		(ii) Which have significant in-crease in credit risk	-	-	-	-	-
		(iii) Credit impaired	-	-	-	3.48	3.45
			-	-	-	-	-
		Disputed Trade Receivables					
		(i) Considered good	-	-	-	-	-
		(ii) Which have significant in-crease in credit risk	-	-	-	-	-
		(iii) Credit impaired	-	-	-	-	-
			3,630.35	3,744.23	4.29	3.48	3.45
	(d)	Ageing Schedule of Trade Pay-ables					
		Particulars	Outstanding for following periods from due date of payment				
			Not due	Less than 1 year	1-2 years	2-3 years	
		As at March 31, 2026					
		(i) MSME	272.11	7.63		-	
		(ii) Others	3,009.70	367.84	2.24		
		(iii) Disputed Dues - MSME	-	-	-	-	

		(iv) Disputed Dues - Others	-	-	-	-
		(v) Unbilled Dues	-	-	-	-
			3,281.81	375.47	2.24	-
		As at March 31, 2025				
		(i) MSME	180.40	30.13	0.10	0.07
		(ii) Others	1,003.47	170.34	2.14	1.42
		(iii) Disputed Dues - MSME	-	-	-	-
		(iv) Disputed Dues - Others	-	-	-	-
		(v) Unbilled Dues	-	-	-	-
			1,183.87	200.47	2.24	1.49
	(e)	Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder				
		There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder				
	(f)	Borrowings from banks				
		The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current as-sets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.				
		The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.				
	(g)	Relationship with Struck off Companies				
		The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.				
	(h)	Compliance with number of layers of companies				
		The Company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Compa-nies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.				

(i)	Key Financial Ratios				
	Particulars	Unit of Measure-ment	March 31, 2026	March 31, 2025	Vari-ation in %
	Current Ratio	In multiple	2.35	3.50	(33%)
	Debt-Equity Ratio	In multiple	0.24	0.13	85%
	Debt Service Coverage Ratio	In multiple	57.91	59.59	(3%)
	Return on Equity Ratio	In %	5.18%	16.66%	(11%)
	Inventory Turnover Ratio	In Days	122.00	82.00	49%
	Trade receivables Turnover Ratio	In Days	61.00	52.00	17%
	Trade payables Turnover Ratio	In Days	25.00	16.00	56%
	Net Capital Turnover Ratio	In Days	158.00	118.00	34%
	Net Profit Ratio	In %	3.01%	13.17%	(10%)
	Return on Capital Employed	In %	4.86%	16.04%	(11%)
	Return on Investment (Assets)	In %	3.88%	13.93%	(10%)
	Formula adopted for above Ratios:				
	Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)				
	Debt-Equity Ratio = Total Debt / Total Equity				
	Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)				
	Return on Equity Ratio = Total Comprehensive Income / Average Total Equity				
	Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Av-erage Inventories)				
	Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Rev-ue / Average Trade receivables)				
	Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)				
	Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)				
	Net Profit Ratio = Net Profit / Net Revenue				
	Return on Capital employed = (Total Comprehensive Income + Interest) / (Aver-age of (Equity + Total Debt))				
	Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets				
	Reasons for Variation if more than 25%				

	Current Ratio
	During the current year, additional packing credit facilities have been availed from banks, and trade payables have increased on account of higher purchases towards the end of the quarter. Accordingly, the current ratio has declined compared to the previous year.
	Debt Equity Ratio
	During the current year, a working capital term loan of INR 1,060.00 lakhs has been availed obtained from banks. Accordingly, there has been an increase in the debt equity ratio in comparison with the previous year.
	Inventory Turnover Ratio
	During the current year, export sales of the home textiles unit have increased significant-ly and inventory levels have been built up accordingly to meet the higher export demand
	Trade Payables Turnover Ratio
	During the current year, trade payables have increased on account of higher purchases towards the end of the quarter which has resulted in an increase in Trade payables turn-over ratio
	Net Capital Turnover Ratio
	Increase in the trade payables and inventories resulted in the increase in the Net Capital Turnover Ratio
(j)	Scheme of arrangements
	There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.
(k)	Advance or loan or investment to intermediaries and receipt of funds from intermediaries
	The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or enti-ty(ies), including foreign entities (Intermediaries) with the understanding (whether re-corded in writing or otherwise) 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.

		The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (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.					
(l)	Undisclosed Income						
		The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.					
(m)	Details of Crypto Currency or Virtual Currency						
		The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.					

55 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long term and short-term borrowings.

For the purposes of the Company’s capital management, capital includes issued capital and other equity reserves attributable to the equity holders.

Categories of Financial Instruments	March 31, 2026	March 31, 2025
Financial assets		
a. Measured at amortised cost		
Loans and advances (non-current)	306.27	306.27
Other non-current financial assets	214.05	194.62
Trade receivables	5,114.53	7,378.87
Cash and cash equivalents	299.71	259.97
Bank balances other than above	88.83	75.89
Loans and advances (current)	1,813.33	2,218.17

b. Measured at fair value through other comprehensive income (FVTOCI)				
Investments (non-current)			5,077.15	4,503.66
c. Mandatorily measured at fair value through profit or loss (FVTPL)				
Investments (current)			2,120.99	2,185.09
Financial liabilities				
a. Measured at amortised cost				
Borrowings (non-current)			1,060.31	-
Borrowings (current)			6,423.34	4,079.61
Other non-current financial liabilities			5.33	4.83
Trade payables			3,659.53	1,405.16
Other financial liabilities			2.28	2.28
b. Mandatorily measured at fair value through profit or loss (FVTPL)				
Derivative instruments			-	-

Fair value hierarchy

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

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

As at March 31, 2026	Level 1	Level 2	Level 3	Total
Financials Assets				
Mutual Fund Units	2,120.99	-	-	2,120.99
Equity shares	9.32	-	5,067.83	5,077.15
	2,130.31	-	5,067.83	7,198.14
Financials Liabilities				
Fair value of foreign exchange derivative liabilities	-	-	-	-
	-	-	-	-
As at March 31, 2025	Level 1	Level 2	Level 3	Total
Financials Assets				
Mutual Fund Units	2,185.09	-	-	2,185.09
Equity shares	4.89	-	4,498.77	4,503.66
	2,189.98	-	4,498.77	6,688.75
Financials Liabilities				
Fair value of foreign exchange derivative liabilities	-	-	-	-
	-	-	-	-

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The estimated sensitivity impact will be around +/- INR 51.02 lakhs (Previous year Rs. 258.11 lakhs), which is considered to be immaterial to the size of operations of the Company.

As on March 31, 2026 (all amounts are in equivalent in INR lakhs)							
Particulars	Liabilities			Assets			Net over-all exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
Trade receivables	-	-	-	2,522.78	-	2,522.78	2,522.78
Borrowings	6,423.34	6,423.34	-		-	-	-
Trade Payables	12.82	-	12.82	-	-	-	(12.82)
As on March 31, 2025 (all amounts are in equivalent in INR lakhs)							
Particulars	Liabilities			Assets			Net over-all exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
Trade receivables	-	-	-	5,347.64	-	5,347.64	5,347.64
Borrowings	4,034.02	4,034.02	-	-	-	-	-
Trade Payables	32.26	-	32.26	-	-	-	(32.26)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 0.45 Lakhs for the year (Previous year INR 0.45 Lakhs)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

The allowance for lifetime expected credit losses on trade receivables for the years ended March 31, 2026 and 2025 and the reconciliation of allowance for expected credit losses are as follows:

			March 31, 2026	March 31, 2025
Balance at the beginning of the year			20.85	18.72
Changes during the year			(10.13)	2.13
Balances at the end of the year			10.72	20.85

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investment in units of quoted Mutual Funds. These Mutual Funds and Counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the loan agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2026	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Borrowings	6,423.34	1,060.31	-	7,483.65
Trade payables	3,659.53	-	-	3,659.53
	10,082.87	1,060.31	-	11,143.18
March 31, 2025	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Borrowings	4,079.61	-	-	4,079.61
Trade payables	1,405.16	-	-	1,405.16
	5,484.77	-	-	5,484.77
			March 31, 2026	March 31, 2025
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)			Nil	Nil



56 Related party disclosure

a) List of parties having significant influence		
Holding company		The Company does not have any holding company
Subsidiaries, associates and joint ventures		The Company does not have any subsidiaries, associates and joint ventures
Key Management Personnel (KMP) and their Relatives		
	Sri. K Thiagarajan	Chairman and Managing Director
	Dr.(Smt) Uma Kannan	Director
	Sri K Deenadayalan	Chief Financial Officer (till December 12, 2025)
	Sri P Senthil Kumar	Chief Financial Officer (from December 15, 2025)
	Smt. K Preyatharshine	Company Secretary

Enterprises in which Key Management Personnel and their Relatives have significant influence

- Thiagarajar Mills (P) Ltd.
- Tamaraiselvi Finance (P) Ltd.
- Kalaithanthai Karumuttu Thiagaraja Chettiar Memorial Charitable Trust
- Colour Yarns (P) Limited
- Thiagarajar Rubbers Private Limited
- Pacific Cotton LLC
- Sivakami Textiles (P) Limited
- Kannappan Traders (P) Limited
- Thiagarajar College
- Thiagarajar College of Engineering
- Murugan Security Services
- Thiagarajar Leasing LLP
- Karumuttu farms (P) Limited

Transactions with related parties are as follows

S.No	Transactions/ Balances	Enterprises in which Key Management Personnel and their Relatives have significant influence		Key Management Personnel and their Relatives	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
1	Sale of goods	185.68	85.07		
2	Purchase of goods	3,991.68	3,926.75		
3	Availing of services	1,372.54	965.24		
4	Rendering of services	1.18	1.18		
5	CSR Contribution	34.84	7.77		
6	Dividend Paid	50.21	26.78	178.33	237.77
7	Remuneration & Short term benefits*				
	Chairman and Managing Director			50.00	250.00
	Chief Financial Officer			19.56	12.81
	Company Secretary			18.70	16.03
8	Sitting fees			0.40	0.25

*Post employment benefit comprising gratuity and compensated absences is not disclosed as these are determined for the Company as a whole.

Balances with related parties are as follows

S.No	Transactions/ Balances	Enterprises in which KMP and their Relatives have significant influence		Key Management Personnel and their Relatives	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
1	Trade Payables	733.36	324.45	-	-
2	Remuneration payable	-	-	50.00	250.00



Material related party transactions are follows

S.No	Nature of transactions	Year ended March 31, 2026	Year ended March 31, 2025
1	Sale of goods		
	Thiagarajar Mills (P) Ltd.	185.68	85.07
2	Purchase of goods		
	Thiagarajar Mills (P) Ltd.	3,991.68	3,926.75
	Thiagarajar College of Engineering	-	-
3	Availing of services		
	Thiagarajar Mills (P) Ltd.	25.98	16.44
	Tamaraiselvi Finance (P) Ltd.	7.20	7.20
	Karumuttu Farms (P) Ltd	-	1.00
	Pacific Cotton LLC	-	163.34
	Thiagarajar College of Engineering	-	0.05
	Colour Yarns (P) Limited	8.50	8.50
	Murugan Security Services	44.24	33.49
	Thiagarajar Leasing LLP	1,286.62	735.22
4	Rendering of services		
	Thiagarajar Mills (P) Ltd.	1.18	1.18
5	CSR Contribution paid		
	Kalaithanthai Karumuttu Thiagaraja Chettiar Memorial Charitable Trust	34.84	7.77
6	Remuneration to Key Management Personnel		
	Sri. K Thiagarajan	50.00	250.00
	Sri. K.Deenadayalan	3.95	12.44
	Sri. P Senthil Kumar	14.62	-
	Smt. K. Preyatharshine	18.09	15.51

7	Contribution to PF and Other funds for KMP		
	Sri. K.Deenadayalan	0.11	0.37
	Sri. P Senthik Kumar	0.88	-
	Smt. K. Preyatharshine	0.61	0.52
8	Sitting Fees		
	Dr.(Smt) Uma Kannan	0.40	0.25
7	Dividend Paid		
	Estate of T.Kannan	172.79	230.38
	Sri. K.Thiagarajan	5.54	7.39
	Thiagarajar Mills (P) Limited	50.21	26.78

Material related party balances are follows

S.No	Name of the related party	As on March 31, 2026	As on March 31, 2025
1	Trade payables		
	Thiagarajar Mills (P) Limited	380.31	1.09
	Thiagarajar Leasing LLP	353.05	323.36
2	Remuneration Payable		
	Sri K. Thiagarajan	50.00	250.00

57 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees’ salary. The contributions, as specified under the law, are made to the Provident fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of INR 135.66 lakhs (for the year ended March 31, 2025 is INR 82.14 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.)

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard, the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan’s debt investments.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan’s liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan’s liability.

Company has an independent Gratuity Trust. The liability of each year is valued as per Ind AS 19 “Employee Benefits” by an independent Actuary and the amount as per the actuarial valuation report is provided in the accounts each year.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2026	March 31, 2025
Discount Rate	7.98%	6.74%
Rate of increase in compensation level	5.00%	5.00%
Attrition Rate	1.00%	1.00%
Expected Rate of Return on Plan Assets	6.74%	7.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2026	March 31, 2025
	in INR Lakhs	in INR Lakhs

Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	27.98	12.14

Net interest expense	8.64	9.45
Return on plan assets (excluding amounts included in net interest expense)	(0.37)	(0.32)
Components of defined benefit costs recognised in profit or loss	36.25	21.27
Amount recognised in Other Comprehensive Income (OCI) for the Year		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(3.28)	(10.95)
Components of defined benefit costs recognised in other comprehensive income	(3.28)	(10.95)
Total	32.97	10.32
i. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit or loss.		
ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.		
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	197.98	139.25
Fair value of plan assets	(9.96)	(0.96)
Net liability arising from defined benefit obligation	188.02	138.29
Funded	-	-
Unfunded	188.02	138.29
	188.02	138.29
The above provisions are reflected under 'Provision for employee benefits' (Long-term provisions) [Refer note 23]		
Movements in the present value of the defined benefit obligation in the current year were as follows:		

Opening defined benefit obligation	139.25	142.19
Current service cost	27.98	12.14
Past service cost	47.76	-
Interest cost	8.64	9.45
Actuarial (gains)/losses	(3.60)	(11.23)
Benefits paid	(22.05)	(13.30)
Closing defined benefit obligation	197.98	139.25
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	0.96	8.22
Expected return on plan assets (excluding amounts included in net interest expense)	0.37	0.32
Contributions	31.00	6.00
Benefits paid	(22.05)	(13.30)
Actuarial gains/(loss)	(0.32)	(0.28)
Others	-	-
Closing fair value of plan assets	9.96	0.96
Sensitivity analysis		
A. Discount Rate + 100 BP	3.48%	7.24%
Defined Benefit Obligation [PVO]	178.63	133.54
Current Service Cost	6.43	13.22
B. Discount Rate - 100 BP	3.74%	6.24%
Defined Benefit Obligation [PVO]	191.99	145.38
Current Service Cost	6.92	15.02
C. Salary Escalation Rate + 100 BP	3.87%	5.50%
Defined Benefit Obligation [PVO]	192.23	145.51
Current Service Cost	7.16	15.04



D. Salary Escalation Rate - 100 BP	3.62%	4.50%
Defined Benefit Obligation [PVO]	178.36	133.38
Current Service Cost	6.70	13.19

(b) Compensated absences

As per the policy of the Company, compensated absences are accumulating in nature which can be carried forward to the subsequent financial year upto a limit of 30 days. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense recognised during the year is INR 21.74 Lakhs (previous year INR 12.03 Lakhs)

58 Exceptional Items

Exceptional items include (a) incremental provision for gratuity in accordance with the new labour codes amounting to INR 47.76 Lakhs and (b) the abnormal effect of changes in forex rates amounting to INR 254.56 Lakhs.

- 59 Previous year figures have been regrouped/ reclassified to confirm to current year's classification



THANK YOU

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