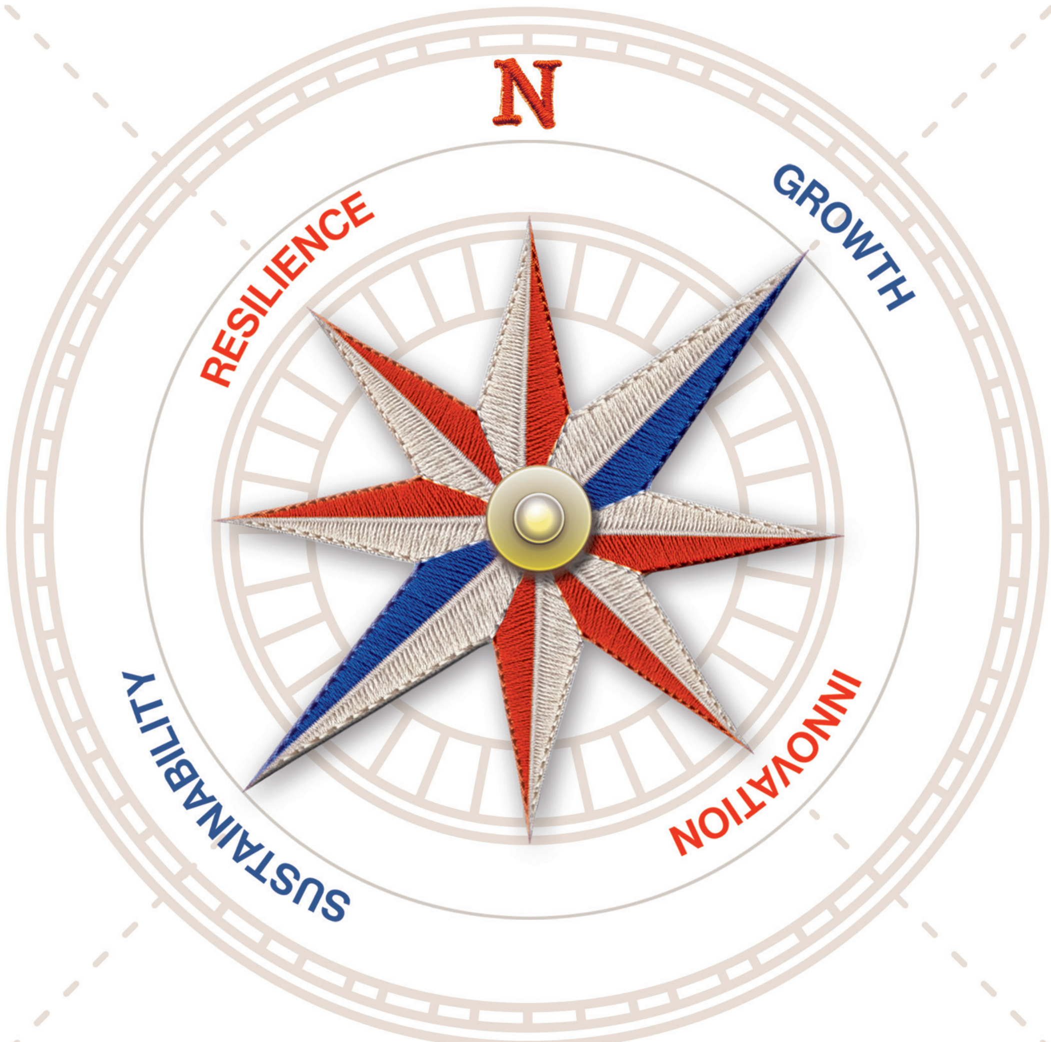
sutlej
textiles and industries limited



NAVIGATING CHANGE
EMPOWERING PROGRESS

Annual Report FY 2024-**25**
Sutlej Textiles and Industries Limited

Disclaimer

We have exercized utmost care in the preparation of this report. It contains forecasts and/ or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Highlights

Revenues (FY 2024-25)

2,664.97 CRORE

Revenues (FY 2023-24)

2,695.95 CRORE

EBIDTA (FY 2024-25)

68.18 CRORE

EBIDTA (FY 2023-24)

-5.25 CRORE

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Navigating change

The global textiles sector is passing through its most extended downtrend in recent memory.

Sutlej is engaged in navigating the momentous changes underway within the sector.

The Company is responding with agility and responsiveness to strengthen its competitive edge.

Empowering progress

The global textiles sector needs companies that can pivot with speed and effectiveness.

Sutlej is reimagining its business across products, processes and practices.

The Company is optimistic that its initiatives will lead the way to enhanced profitability and sustainability.

Sutlej Textiles and Industries Limited is a specialized multi-decade yarn player in India's textile sector.

During its existence, the Company has navigated several economic and sectorial cycles.

If the Company has successfully endured and prevailed, it is on account of the all-roundedness of its personality and proactive approach in graduating to the next orbit.

Across the decades, the Company has fused product specialization, niche presence, innovative yarn blends, eco-friendly resources and a high operating efficiency.

The Company is one of India's prominent manufacturers of dyed and mélange yarns blended with cotton as well as a leading exporter and manufacturer of value-added synthetic and blended-dyed spun yarns.

The result is that the Company is respected for its visibility, responsibility, profitability and sustainability.

Our ethos

Vision: Our goal is to become a global leader in textiles by offering comprehensive solutions from fibre to yarns to home textiles. We strive to maximize value for our customers and establish ourselves as their preferred partner.

Mission: We believe in pushing our limits and surpassing them. We also recognize the importance of evolving our thinking with changing times.

Background

Founded in 1934 in pre-independence India, Sutlej enjoys a legacy of excellence as a part of a renowned industrial conglomerate established by the late Dr. K. K. Birla. Over the years, the Company has grown into one of India's leading integrated textile manufacturers, producing a diverse range of yarns, including synthetic, natural, mélange and blended varieties, along with an extensive selection of spun yarns and home textile furnishings.

Capacities

The Company operates state-of-the-art textile mills located in Jammu & Kashmir, Rajasthan, Himachal Pradesh, and Gujarat, equipped with advanced technology. Over the years, it has substantially expanded production capacity across these facilities. As of FY 2024–25, the Company's total installed spinning capacity stood at approximately 4.16 lakh spindles, resulting in a daily output of 274 tonnes. Its diverse product portfolio includes dyed synthetic and blended yarns, cotton mélange, cotton-blended mélange, and dyed yarns, specialty fibres such as Modal, Tencel, Bamboo, Coolmax, and fancy yarns like Siro Spun, Siro Compact, Lycra Twisted, Core Spun, Double Core yarns, and others. The Company offers yarns in single-ply, double-ply, and multi-fold variants.

Production sites and their respective capacities

Units	Location	Products manufactured	Capacity
Chenab Textile Mills	Kathua, Jammu & Kashmir	 Cotton and man made fibre yarns including mélange yarns	**1,02,576** Spindles of cotton blended mélange yarns **1,10,976** Spindles of manmade fibre yarns
Rajasthan Textile Mills	Bhawanimandi, Rajasthan		**35,280** Spindles of cotton blended mélange yarns **83,472** Spindles of manmade fibre yarns
Birla Textile Mills	Baddi, Himachal Pradesh		**36,503** Spindles of cotton blended mélange yarns **47,161** Spindles of manmade fibre yarns
Damanganga Home Textiles	Daheli, Gujarat	 Home textiles	**8.97** Million metres per annum **118** Shuttle-less looms
Sutlej Green Fibre	Baddi, Himachal Pradesh		**120** Metric tonnes per day

Product portfolio

The Company offers a wide range of dyed spun yarns made from natural and synthetic fibres, available in various blends and shades within the 6s to 50s count range. Designed to meet diverse textile needs, these products provide a comprehensive solution for all yarn requirements in one place.

Certifications

The Company upholds rigorous quality standards in line with IS/ISO 9001:2008 and holds a range of globally recognized certifications. These include the Global Organic Textile Standard (GOTS) Version 6.0, Organic Content Standard (OCS-IN), Global Recycled Standard (GRS), Recycled Claim Standard (RCS), FSC Chain of Custody, and Oeko-Tex Standard 100. Various manufacturing units are also certified by Uster Technologies and the Bureau of Indian Standards (ISO 9001:2015 for Quality Management). Additional certifications include SA 8000:2014 for Social Accountability (SGS India), ISO 14001:2015, ISO 45001:2018, and ISO 50001:2018 (by TUV SUD), along with Fair Trade certification from FLOCERT and IS 17265:2023 by BIS. The Company is a member of Better Cotton Innovation and is certified by Control Union under the Recycle Claim Standard and Global Recycle Standard. It participates in initiatives like Cotton Made in Africa and INDITEX.

Clientele

The Company caters to a prestigious portfolio of clients, featuring some of the most prominent names in the apparel and textile industry. These include Jockey, Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim Bhiwani, Digjam, JC Penney, Monte Carlo, Brandix, H&M, Pantaloons, Zara and other well-known brands.

Global presence

The Company fosters enduring relationships with a network of agents and dealers in India and internationally. Operating in more than 60 countries, it is one of India's leading exporters of value-added synthetic and blended yarns. The Company is respected by textile fabric manufacturers and maintains a robust presence in major global markets (USA, European Union, Panama, China, Hong Kong, the UK, Turkey, Bangladesh, Latin America, Africa, and others).

Credit profile

India Ratings re-affirmed the Company's A1 rating for short-term instruments, reflecting a strong capacity for timely payment. The A+ long-term rating was also reaffirmed, underscoring the Company's low credit risk and consistent ability to address financial obligations on time.

Awards and recognitions

Gold Trophy for Best Export Performance in Synthetic & Rayon Dyed Yarns - FY 2023-24 by Manmade and Technical Textiles Export Promotion Council

Our business verticals

Value-added melange and dyed yarn



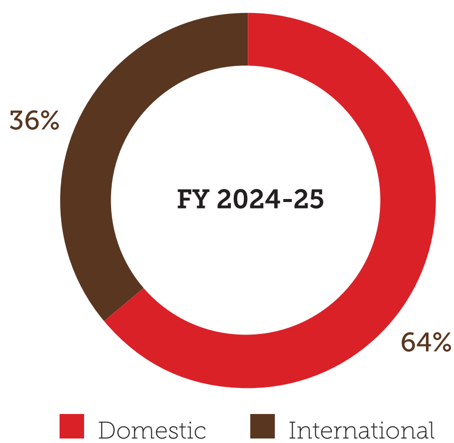
Home textiles, curtains, upholstery and made-ups

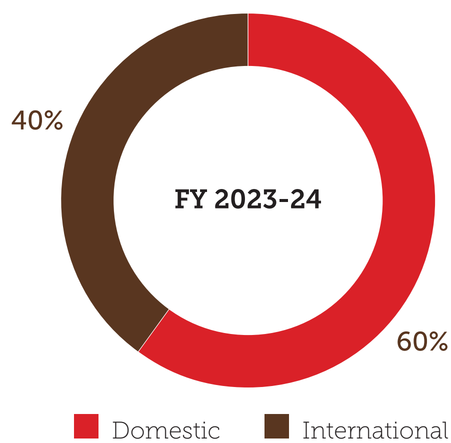


Recycled raw white and doped dyed polyester fibre



Revenue by geography





Our multi-decade legacy

Milestones

2006-07
- Forayed into the business of home textiles through Damanganga home textiles.
- Expanded the Kathua and Bhawanimandi units by 35,400 spindles and 2,112 spindles respectively with the goal to manufacture PV dyed yarn.

2008-09
- Expanded the Bhawanimandi unit by 7,488 spindles to manufacture PV dyed yarn.
- Added 12,672 spindles at Bhawanimandi for manufacturing cotton yarn.

2010-11
- Started commercial production with an expanded capacity of 31,104 spindles at Kathua to manufacture cotton mélange and cotton blended dyed yarn.

2014
- Added 31,104 spindles at Kathua for value-added cotton mélange and cotton blended dyed yarn.

2015-16

- Acquired Birla Textile Mills, Baddi.
- Added 35,280 spindles at Bhawanimandi for the manufacture of cotton blended dyed and mélange yarn.
- Announced a 9.6 million metre per annum expansion of its home textiles capacity at Bhilad.

2017

- Installed a 2.2 MW rooftop solar power project at Bhawanimandi.
- Acquired the Design, Sales and Distribution (DS&D) business along with the brand of American Silk Mills, LLC.
- Added 18 circular knitting machines at Bhawanimandi.

2021

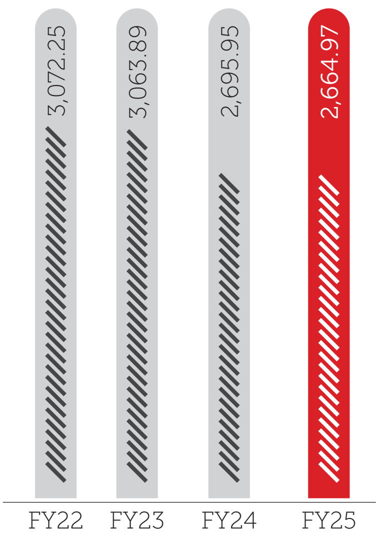
- Integrated backwards with a capacity to manufacture 120 tonnes per day of recycled polyester staple fibre.
- Modernized its home textiles facility.
- Launched a home textiles brand (Nesterra).

2023-25

- Launched 24 new collections of Nesterra, taking total collections to 48.
- Nesterra home textile products are available at over 600 retail points across India.
- Strengthening our presence in Technical and Specialty yarns.

Our financial performance in the last few years

Total Income from operations (Rs. crore)



Definition

Revenue growth net of indirect taxes.

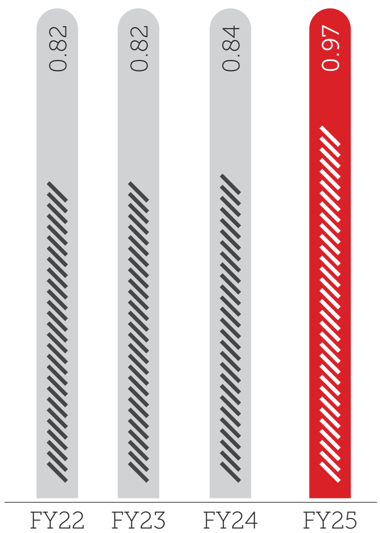
Why we measure

This initiative highlights our ability to assess market trends and provide tailored products, cutting-edge technologies, and seamless supply chain management to fulfill customer demands.

Performance

Our aggregate revenue declined by 1 % to Rs. 2,664.97 crore in FY 2024- 25. The decline was on account of a weak momentum in the global textile sector. Exports contributed Rs.923.51 crore (36%), indicating the Company's global competitiveness.

Gearing (X)



Definition

This is derived through the ratio of net debt to net worth (less revaluation reserves).

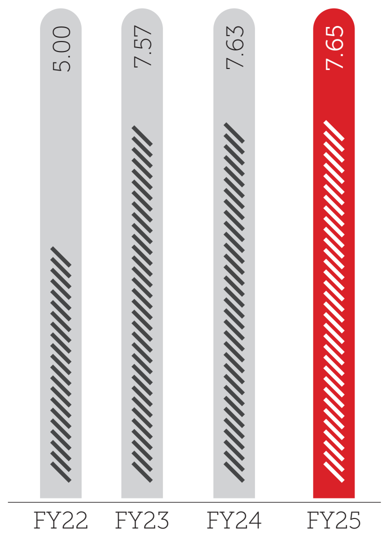
Why we measure

This is one of the defining measures of a Company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing, better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

Performance

Despite the challenges faced by the global textile sector, including factors such as rising input costs, high inflation, geo-political uncertainty, and an marginal decline in repo rates, the Company's gearing only marginally increased from 0.84 in FY 2023-24 to 0.97 in FY 2024-25. This demonstrates the Company's resilience and commitment to maintain a stable financial position.

Debt cost (%)



Definition

This is determined through the calculation of the average cost of the consolidated debt recorded on the Company's books.

Why we measure

The steady access to funding despite rising rates reflects lender confidence in our business model.

Performance

The Company's debt cost remained range bound and was at 7.65 % in FY 2024-25 against 7.63% in FY 2023-24.

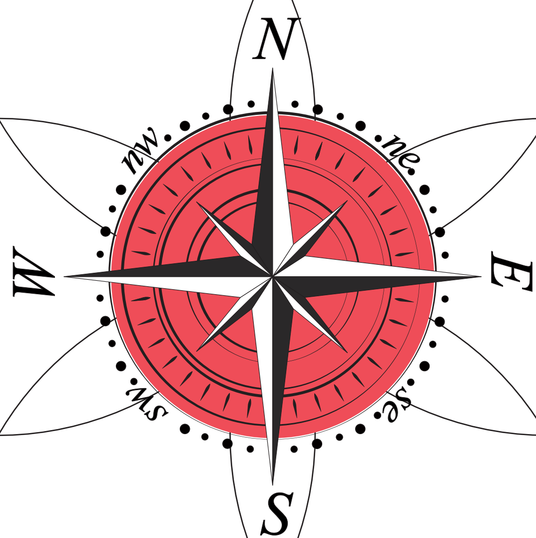
6 big messages of this Annual Report

1

The Company encountered an extended decline in the textile sector that affected its business

2

The Company embarked on a number of initiatives to reinvent its business model, enhancing contemporariness and competitiveness



3

The Company is exploring opportunities to expand its portfolio by selectively evaluating the potential of manufacturing finished textile products through an asset-light approach

4

The Company accelerated yarn development that consumed a larger proportion of recycled fibre manufactured within

5

The Company intends to extend to the manufacture of value-added technical yarns

6

The green shoots of the Company's strategic differentiation were evident: the Company reported an EBITDA turnaround during the financial year

I am optimistic that Sutlej will navigate change, empower progress and emerge stronger.

C. S. Nopany
Executive Chairman

Industry Context

The global textile industry continues to grapple with a prolonged downturn, intensified by a complex interplay of economic, geopolitical, and structural factors. Post-pandemic supply chain disruptions, including factory shutdowns, port congestion, and container shortages, strained production and delivery schedules. Geopolitical tensions, such as the Russia-Ukraine conflict and US-China trade disputes, have increased energy costs and disrupted trade flows. Within the sector, shifting consumer preferences toward sustainable and filament-based yarns, coupled with increased competition in knits and technical textiles, have modereased demand and margins. Integrated textile companies are capturing greater value in fabrics, challenging pure play yarn manufacturers.

Adding to these challenges, ongoing tensions in the Middle East, are disrupting global textile supply chains. Such disruptions exacerbate economic uncertainty and inflation, reducing consumer spending in key markets like the US and EU.

The evolving tariffs situation further complicates the landscape. The US-China trade war, marked by increased tariffs on Chinese textile imports, has increased costs for US consumers and prompted sourcing shifts to countries like Vietnam and Bangladesh. However, proposed US tariffs on imports from Mexico, Canada, and China—key textile suppliers—threaten to raise production costs and disrupt supply chains.

Despite these headwinds, we see opportunities to adapt and strengthen our position by aligning with global demands for sustainability and resilience while recalibrating our business model.

Navigating Change

At Sutlej, we are not waiting for the cycle to turn. Instead, we are reimagining our business to succeed in this volatile, uncertain, complex, and ambiguous (VUCA) environment. Our strategy focuses on three priorities:

1. Product Innovation: We are expanding into technical yarns and blends to meet evolving consumer demands for performance and sustainability. We also plan to diversify our product portfolio by introducing products for other segments, moving closer to consumers.

2. Sustainability: We are increasing our use of renewable energy to reduce costs and enhance our environmental responsibility, aligning with global trends toward conscious fashion.

3. Solution-based strategy: We are focusing on delivering solutions rather than just products to our customers by producing through strategic partnerships rather than being limited by our manufacturing capacities.

We are expanding into technical yarns and blends to meet evolving consumer demands for performance and sustainability.

Our strengths

Sutlej is positioned to execute this transformation:

- **Experience:** In our tenth decade, we have navigated political, economic, and technological upheavals, building resilience.
- **Group support:** As part of a large industrial group, we have access to talent, capital, and expertize diverse.
- **Innovation:** Our expertize in product customization, value-added dyed fibres, and new blends sets us apart.
- **Sustainability:** Our commitment to environmental and community responsibility strengthens our brand and customer trust.
- **Financial discipline:** Despite a net loss last year, we achieved an EBITDA turnaround, reduced debt, and maintained a stable credit rating. Our net worth and controlled receivables provide a solid foundation for recovery.

Financial performance

Last year, we swung from an EBITDA loss to a surplus, reflecting our operational discipline. While gearing rose marginally from 0.84 to 0.97, inventory and receivables remained managed, and our cost of funds declined. These outcomes validate our commitment to protecting stakeholder value.

Looking ahead

The textile landscape is rapidly evolving, driven by consumer demands for sustainability, transparency, and traceability. Online platforms, social media, and influencer-driven marketing are reshaping fashion consumption, with customers expecting personalized experiences and seamless access. Sutlej is poised to lead this transformation by aligning offerings with these trends and driving growth through strategic initiatives.

To achieve sustainable growth, we are adopting a calibrated approach to capital expenditure. Rather than make large-scale investments, we are prioritizing high-impact, cost-efficient projects that enhance our capabilities in technical yarns, sustainable blends, and value-added products. This includes modernizing key production facilities to improve efficiency, integrating renewable energy solutions to lower costs, and expanding into garment and accessory segments with minimal capital outlay. By phasing our investments, we aim to maximize returns while maintaining financial discipline, ensuring a resilience across market cycles.

Equally, we are redefining our role as a knowledge partner to our customers through differentiated business models. Beyond supplying yarns, we are collaborating with fabric makers and garment manufacturers to co-create innovative solutions tailored to their needs. This involves leveraging our deep expertize in product development to offer customized blends, sustainable fibres, and traceable supply chains that align with a growing demand for conscious fashion. We are also exploring partnerships and service-oriented models, such as providing technical advisory services and just-in-time inventory solutions that, enhance customer value and strengthen long-term relationships. These initiatives position Sutlej as a trusted ally, helping customers navigate industry shifts while differentiating us in a competitive market.

By combining calibrated capex with a customer-centric, knowledge-driven approach, we are confident that Sutlej will restore profitability, deepen sustainability, and enhance long-term value. Our focus on governance, digitalization, and community engagement equips us to rebound strongly when industry conditions improve.

Gratitude

I am optimistic that Sutlej will navigate change, empower progress and emerge stronger. The Company has progressively deepened its governance through a complement of Board-driven growth, digitalization, innovation, value-addition, environment responsibility and community engagement. Sutlej is more equipped to address the downtrend with moderate impairment but with the capacity to rebound with vigor and enhance value for all stakeholders when conditions improve.

I must thank those who have helped deepen this governance ethic – our Board of Directors, our management team, our vendors, our bankers and our trusting customers.

I am grateful to our shareholders who have kept faith in our prospects. I must assure them that our reimagining the enterprise will reward their patience.

C. S. Nopany
Executive Chairman

How we are reimagining our enterprise

Entry into technical yarns

Extending to non-apparel applications

Extending to the manufacture of apparel complements

Investment in cutting-edge technologies

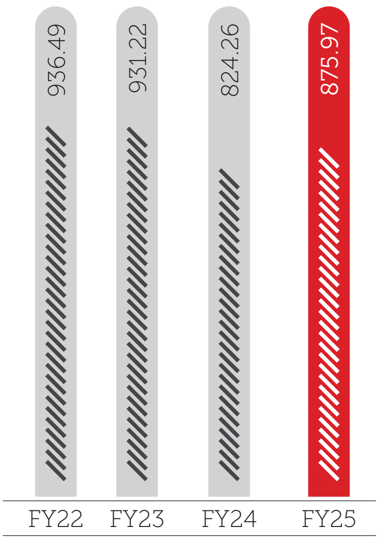
Developed yarn products with higher recycled fibre

Enhanced focus on asset lightness

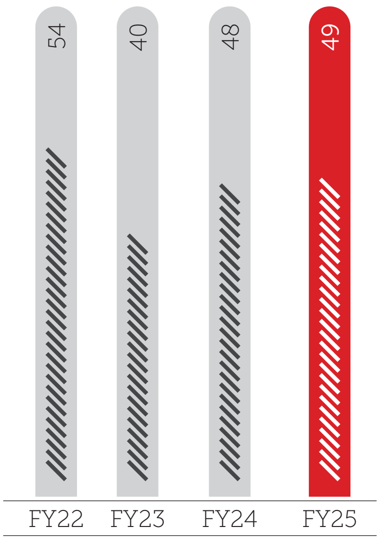
Repaid Rs.126 cr in debt

Our financial hygiene

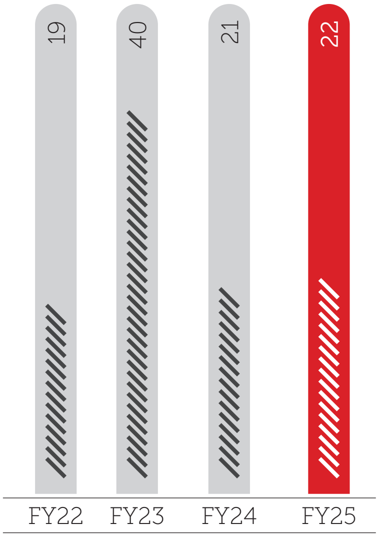
Our consolidated debt
(Rs. crore)



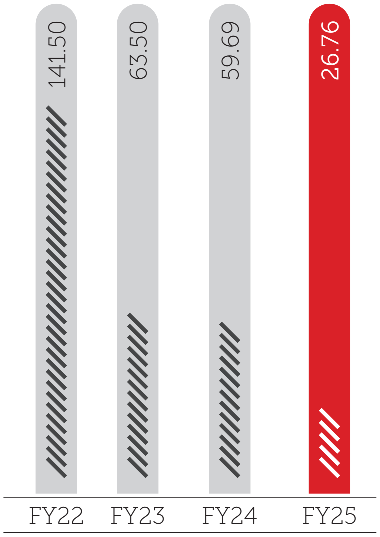
Our receivables cycle
(days of turnover equivalent)



Our finished goods inventory cycle (days of turnover equivalent)



Undrawn working capital borrowing facilities (Rs. crore)



How we are strategically positioned to navigate change and empower progress through challenging times

Governance
We remain a governance-driven Company

57% of our Board comprises Independent Directors

Relationships
Most of our multi-year customers are still working with us 65% of revenues in FY 25 from customers of five years or more

Presence
We are present in more than 60 countries

No country accounted for more than 27% of revenues, FY25

Technology
Our spinning equipment is relatively new

Value chain
We integrated backwards into green fibre manufacture

We addressed 87% of the Company's green fibre requirement from within, in FY 2024-25

Liquidity
We are relatively under-borrowed (debt-equity ratio was 0.97as on 31st March, 2025)

Average debt cost was 7.65% in FY 25

How we sustained our business resilience

- Prioritized capital efficiency
- Maintained a stable credit rating
- Diversified business and revenue streams
- Postponed non-essential capital investments
- Maintained prudent debt levels
- Maintained disciplined working capital management
- Strengthened relationships with existing clients

Excellence **driver**

Navigating challenges through the increased use of green fibre

Overview

In today's increasingly conscious world, responsibility is becoming a key driver of profitability. Downstream users such as fabric and apparel manufacturers are showing a growing preference for yarn made from recycled materials, reflecting the expectations of their own environmentally aware customers.

Recognizing this shift, Sutlej commissioned a 120 TPD recycled yarn facility several years ago. This move was not just aimed at improving margins, but at repositioning the Company's brand as a forward-looking, responsible player in the global textiles market.

The strategic advantages arising from this investment include:

First, the Company produces polyester yarn using PET waste, contributing to a reduction in its carbon footprint.

Second, the manufacture of green yarn enhances resource traceability, a factor of growing significance in the global textiles industry.

Third, as leading garment brands transition from synthetic fibres to greener alternatives, Sutlej has strengthened its position as a responsible manufacturer.

During the year under review, Sutlej operated its green fibre unit at 100% capacity utilization. Much of the production was consumed internally, which helped widen value-addition while improving working capital efficiency.

More importantly, this backward integration has elevated the Company's standing as a responsible manufacturer.

Big numbers

120

Tonnes per day, installed capacity of green fibre at Sutlej

4.8

Million, peak quantum of PET bottles that can be consumed in a day by Sutlej

87

% of the Company's green fibre appetite that is serviced from within

100

% capacity utilization of the green fibre plant, FY 25

Excellence **driver**

Building resilience through strategic digitalization

Overview

At Sutlej, digitalization is not viewed as a mere support function but as a core driver of operational excellence and strategic growth. The Company has consistently embedded digital technologies across its value chain, recognizing their transformative potential in enhancing agility, efficiency, and responsiveness. By building a technology-enabled ecosystem, Sutlej continues to drive process innovation, operational control, and competitive differentiation in an increasingly dynamic market environment.

Key highlights, FY2024-25

Operational excellence through technology: Advanced automation, including robotics, and a cloud-first strategy were adopted across operations to boost efficiency, scalability, and cost-effectiveness.

Enhanced data security and governance: Continuously strengthening our cybersecurity posture and establishing robust data governance frameworks helped ensure data integrity and compliance.

Digital upskilling of workforce: Investing in training programs equiped our employees with the necessary digital skills to leverage new technologies.

Advanced analytics and AI/ML integration: Moving beyond descriptive analytics to predictive and prescriptive analytics helped, leverage AI/ML for demand forecasting,

Supply chain digitalization: Integrated our supply chain partners deeper digitally for greater transparency, efficiency, and resilience. This includes exploring blockchain for traceability, if beneficial.

Cloud-first strategy: Migrating more of our enterprise applications to the cloud helped enhance scalability, flexibility, and cost-efficiency.

Our technology ecosystem

To remain agile, efficient, and competitive, we continue to invest in a robust and future-ready technology stack. Our digital infrastructure is built on industry-leading platforms and tools that power our operations, decision-making, and customer engagement:

SAP S/4HANA Enterprise Resource Planning (ERP) powers our integrated business operations.

Manufacturing Execution Systems (MES) enable real-time production tracking and control.

Industrial IoT (IIoT) supports predictive maintenance and smart data collection through sensors and connected devices.

Automation technologies enhance efficiency in selected manufacturing processes.

Cloud computing offers scalability, secure data storage, and disaster recovery solutions.

Business Intelligence (BI) & Analytics tools help generate insights for strategic and operational decisions.

Cybersecurity Solutions ensure data integrity and protect our digital assets with intrusion detection, encryption, and firewalls.

Collaboration Platforms support seamless internal and external communication.

Our digital transformation

Intangible benefits

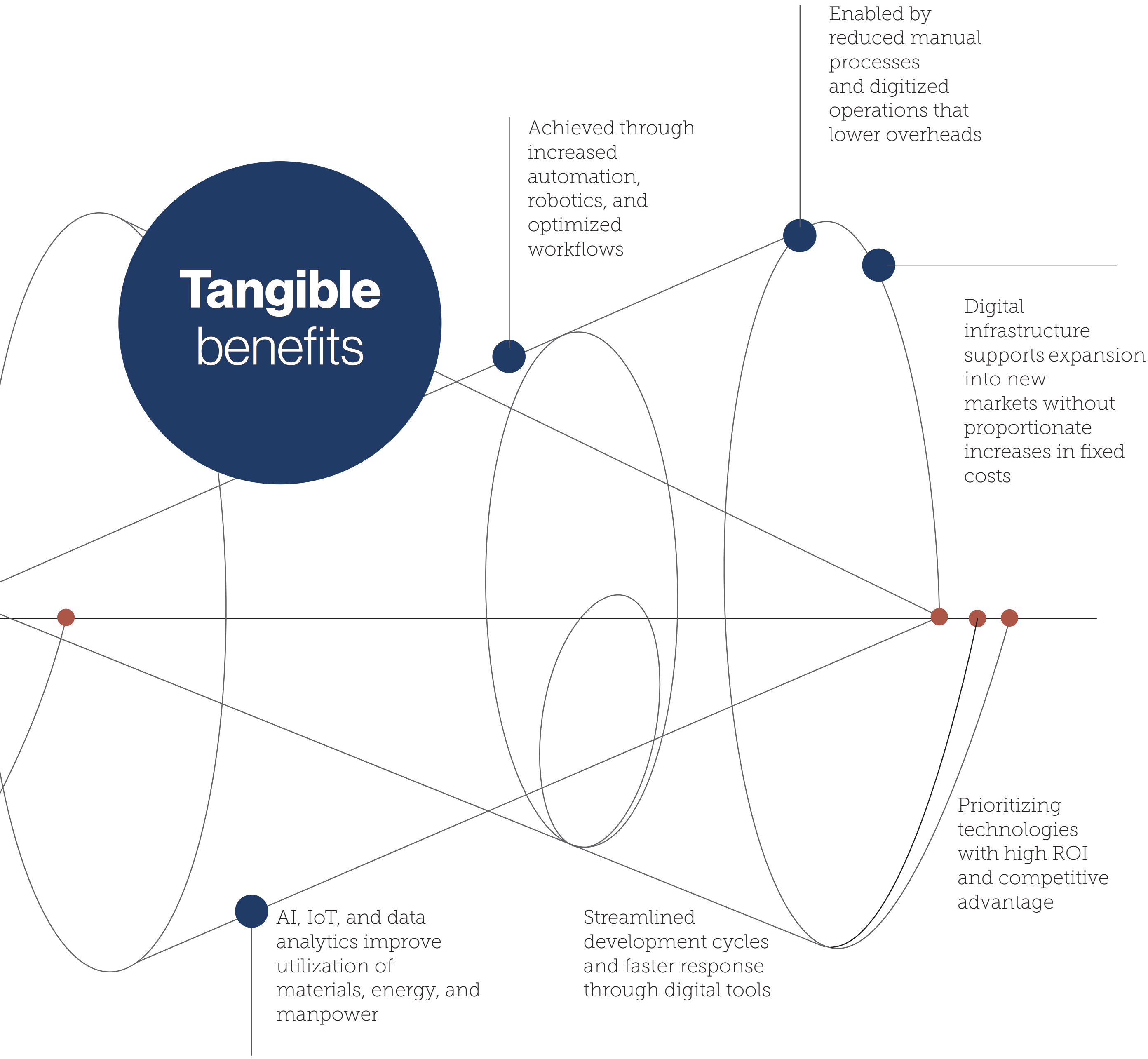
- Enhanced brand perception through digital customer engagement and transparency
- Culture of innovation promoted across all levels of the organization
- Real-time, data-driven decision-making replacing intuition-based choices
- Cross-functional adoption of digital platforms improving collaboration
- Increased stakeholder trust through product traceability and transparency
- Future-ready organizational mindset supported by a scalable digital infrastructure
- Strategic clarity enabled by predictive insights and process visibility
- Employee empowerment via automation and reduced manual work

Case study: Streamlining procurement through workflow automation

Challenge: Manual tracking of procurement approvals and internal requests often led to delays and lack of transparency.

Intervention: We developed custom workflow solutions to digitize processes like purchase approvals, indent tracking, all integrated with SAP data.

Outcome: Digital initiatives led to faster approval turnaround times, minimized manual interventions and follow-ups, and enhanced traceability and accountability—resulting in improved process compliance and overall operational efficiency.



Outlook, FY2025-26

In FY 2025–26, the Company will continue its strategic journey toward becoming a digitally empowered and insight-driven enterprise. The focus will shift from operational digitization to building competitive advantage through advanced technologies. The implementation of a digital Procure-to-Pay (P2P) system, including a smart vendor portal and automated invoice processing, will further improve transparency, efficiency, and compliance.

A robust cybersecurity and scalable cloud-first IT architecture will underpin future-ready operations. Through these focused investments, the Company aims to strengthen agility, responsiveness, and resilience to navigate evolving market dynamics.

Our international yarn business

Overview

Sutlej is a differentiated specialist yarn Company in India, having established a unique global niche. The Company markets its products in over 56 countries and generated Rs.827.99 crore from the international markets during the year under review, representing 35% of its total revenues. This underscores the strategic importance of global sales within Sutlej's business model.

The broadening of revenue streams across diverse global markets has strengthened the Company's business model in several ways.

First, it has positioned Sutlej as a global player, expanding its understanding of evolving customer preferences.

Second, it has diversified the Company's presence across multiple markets, reducing over reliance on any single region.

Third, it has enabled the Company to identify emerging trends and apply those insights across different geographies.

Fourth, this diversification has improved the Company's resilience against sectoral downturns and allowed quicker capitalization on market rebounds.

Fifth, a wider global footprint has accelerated new product development and enhanced the corporate brand.

Sectorial context

India's textile and apparel exports witnessed a recovery in FY 2024–25, reaching $36.61 billion, an increase of 6.32% compared to $34.43 billion in FY 2023–24. Apparel exports saw a notable surge of 10.03%, rising to $15.99 billion, while textile exports, which include cotton yarn, fabrics, made-ups, and handloom products, grew by 3.61% to $20.62 billion. This rebound marks a turnaround from the previous fiscal year, which had recorded a 3% decline, and reflects improving global demand, favourable policy support, and shifting sourcing preferences. In 2016, cotton futures stood at Rs.39,000 per bale and rose steadily to about Rs.61,400 per bale in 2023 but dropped to around Rs.55,540 per bale by mid 2024/2025. After peaking, prices cooled slightly but remained significantly higher than five years ago.

This reality makes it imperative for yarn makers to experiment with alternatives like PSF and provide customers with a consistently competitive proposition.

At Sutlej, we continue to be engaged in research of new blends and products that protect our competitiveness across market cycles.

(Source: Fibre2fashion, MCX)

Key highlights, FY2024-25

Certification and compliance: Buyers are increasingly evaluating vendors on ESG metrics and certifications like OEKO-TEX, GOTS, Bluesign®, and ISO 14001. Sutlej's ongoing compliance gives it a competitive edge in international markets.

Traceability and eco-labelling: Sutlej's sustainability initiatives align with the rising global demand for transparency, such as product labels stating 'low carbon,' 'no toxic dyes,' and similar claims. This enhances the Company's ability to secure repeat and premium orders.

Preference for mélange exports: Global customers are showing increased preference for cotton mélange blends with recycled content, due to their durability and sustainability. Sutlej's focus on developing high-performance, eco-friendly mélange yarns positions it strongly in international markets.

Outlook, FY2025-26

The international yarn sales business is expected to favour green-compliant suppliers, with buyers from the US, EU, and Japan increasingly prioritizing sustainability.

Big numbers

827.99
Global sales, Rs. crore, FY 25

962.86
Global sales, Rs. crore, FY 24

56
Number of countries of the Company's presence in the yarn segment, FY 25

51
Number of countries of the Company's presence in the yarn segment, FY 24

35
The Company's yarn exports as a % of overall yarn revenues, FY 25

40
The Company's yarn exports as a % of overall yarn revenues, FY 24

Business **segment**

Domestic yarn business

65
%, Revenues from the domestic business in FY 25

60
%, Revenues from the domestic business in FY 24

Sales by geography

19
% of yarn sales in the Ludhiana zone

19
% of yarn sales in the Bhilwara zone

27
% of yarn sales in the Mumbai zone

23
% of Yarn domestic sales in the Delhi zone

9
% of Yarn domestic sales in the Tirupur zone

3
% of Yarn domestic sales from other zones

Domestic yarn sales by products

73
% of domestic sales contributed by synthetic yarn

27
% of domestic sales contributed by cotton blended yarn

Big number

94
% of the Company's revenues accounted for by the yarn segment

1
Status of the Company by size among India's spun-dyed and cotton mélange yarn manufacturers

4,15,968
Yarn spindles (as on 31st March, 2025)

42
% of spindles dedicated to mélange yarn

58
% of spindles dedicated to blends

25.96
Average yarn count

Overview

The Company specializes in two key yarn segments cotton mélange and synthetic dyed yarn produced at its manufacturing units: Rajasthan Textile Mills in Bhawanimandi (Rajasthan), Birla Textile Mills in Baddi (Himachal Pradesh), and Chenab Textile Mills in Kathua (Jammu and Kashmir).

Cotton mélange yarn caters to the rising demand from garment exporters for knitting fabric applications. The Company holds a strong position in the PV dyed yarn segment, serving the suiting fabric manufacturing industry. Additionally, it produces 100% poly dyed yarn used in sweater production and PA dyed yarn for dress materials and sarees.

Expanding its product range, the Company manufactures multi-fibre yarns combining synthetic and natural fibres across various applications and counts. This versatility offers a competitive edge, enabling the launch of innovative products tailored to market needs.

Aligned with its sustainability commitment, the Company incorporates eco-friendly fibres such as recycled polyester, recycled cotton, organic/fair trade cotton, Seacell/Smart Cell, Cupro, Hemp, Linen, Lenzing Modal, Tencel, Bamboo fibre, and Bamboo Charcoal. The chemicals and dyes used in its dye house are free from AZO, NPEO, APEO phenols, and formaldehyde, reflecting its dedication to environmentally responsible practices.

Sutlej's spun yarn remains synonymous with quality and diverse blends, demonstrated by its longstanding relationships with customers.

The Company's sales served prominent brands like Raymond, Siyaram, and Donear. However, demand was subdued during the year under review due to lower garment and fabric offtake. Muted discretionary spending contributed to the downturn and destocking across the supply chain led to cautious inventory management.

Sectorial context

The global trade environment faced notable disruptions over the past year, driven by the Russia-Ukraine conflict and persistent trade tensions between the US and China. These factors disrupted trade flows and dampened consumer sentiment across markets.

Additionally, shrinking cotton yarn spreads and inventory losses put a pressure on profitability.

Amidst this industry-wide slowdown and volatility, the Company remained resilient, navigating market challenges while staying firmly committed to its sustainability goals.

Key highlights, FY 2024-25

Green and sustainable yarns: Growing domestic preference for vendors offering sustainable practices, including recycled fibre, solar energy usage, and zero liquid discharge processes. Sutlej's alignment with these trends strengthens its market relevance.

Cotton mélange innovation: Continuous R&D into cotton/polyester and cotton/recycled polyester blends enhanced strength, durability, and comfort. Focus on integrating performance finishes and sustainable content helped evolving domestic consumer needs.

Value-engineered yarns: Response to cotton price volatility led to increased research into cost-effective alternatives like PSF and hybrid blends, ensuring consistent competitiveness in the domestic market.

Outlook, FY2025-26

Domestic specialized yarns is expected to witness strong growth, driven by rising demand for technical textiles across sectors like healthcare, construction, and defense, supported by favourable government policies and incentives.

Portfolio

The Company is not only among the few manufacturers of specialty yarns such as Lycra, Coolmax, Modal, and Tencel yarns but also ranks as one of the largest producers of Modal yarn under license from Lenzing, Austria. This has strengthened the Company's position as a single-point solution provider for many customers.

Regular varieties

- 100% Polyester
- 100% Viscose
- 100% Acrylic
- 100% Modal and Tencel
- 100% Cotton Mélange and Cone-Dyed
- Polyester/Viscose
- Polyester/Cotton
- Acrylic/Cotton
- Polyester/Acrylic
- Modal/Cotton
- Modal/Polyester
- Viscose/Cotton
- Bamboo/Cotton

Premium varieties

- Micro-Polyester (soft touch)
- Micro-Acrylic (for chenille)
- Micro-Modal (supersoft silky)
- Hamel Covered Yarns (stretch)
- Low Piling Yarns
- Carpet Backing and Pile Yarns
- Ready-to-Dye Package Yarns
- Cationic Dyeable Yarns
- Tencel
- Soy Milk Fibre Yarns
- 100% Bamboo

Business **segment**

Home textiles

Overview

In 2006, the Company strategically diversified its operations by entering the home textiles segment, expanding its product portfolio from yarn to value-added finished products. This move aimed to leverage the existing distribution network, reducing costs while capitalizing on the limited competition and promising growth opportunities in the home textiles industry at that time. Additionally, increased internal consumption of yarn was expected to boost overall value addition.

In 2020, the Company launched its first home textiles brand, Nesterra, which quickly gained market traction. Today, Nesterra is available in over 625 multi-brand retail outlets across India with 48 collections and over 2000 sku, serviced through a self-service B2B online ordering portal with a same day despatch guarantee of over 85% instances.

Following the pandemic, consumer spending in the home textiles segment rose significantly, driven by increased demand linked to remote work and lifestyle changes. Although the home textiles market initially saw a decline, it rebounded. In contrast, the yarn business faced a downturn, lagging the recovery seen in home textiles.

Export volumes for home textile products such as curtains and upholstery showed our improvement, while domestic market growth slowed. To address this, the Company adjusted its payment policies to strengthen receivables management. While the cut service segment is gradually improving, retail business growth is expected to pick up pace after a slow start.

6%

of the Company's revenues, FY 25

Key highlights, FY2024-25

In FY 2024-25, our home textiles business continued its journey of calibrated expansion and strategic transformation amidst a dynamic macroeconomic environment. The performance reflected a mix of consolidation and forward-looking investment across key business verticals - Nesterra (Retail/ Cut Service), Exports and Domestic business for fabrics and readymade products.

- Export performance remained steady with increased traction in both the US and non-US markets. While high consumption markets such as the US and UK continued to drive volumes; Southeast Asia, Australia, and Africa remained underpenetrated. In Russia, Europe & ROW (rest of the world) we saw sporadic success.
- A new thrust was placed on ready-made products (bedding, curtains, cushions and kitchen linen).
- To address the capacity gap, the Company launched an internal utilization improvement plan, supported by additional sales through buying houses, mill-direct and OEM channels.
- The Company highlighted specialty products at Heimtex in – January 2025 like IFR, outdoor, easy-clean, and sustainable products. It introduced new made-up products such as curtains and comforter sets, demonstrating our commitment to innovation and meeting diverse customer needs in the global markets.
- The Company's home textiles brand, Nesterra, sustained its growth trajectory, registering a 3-year CAGR of around 22%, reflecting robust brand acceptance and growth.
- The cut service model under Nesterra showed continued growth, supported by region-wise performance tracking and team restructuring.
- Strategic branding and marketing initiatives included tie-ups with Jio Cinema's Kaise Banta Hai (Season 2).
- Digital transformation activities included WhatsApp marketing and a stronger focus on organic social media content and leadership profiling, catered to category A publications, exclusive interviews and participations in panel discussions.

Sectorial context

Our home textiles segment consists of three key areas: the domestic market, exports, and cut service. In the domestic market, we consolidated and focused on fewer customer accounts having PAN-India distribution to align with our credit policy. We set up sales team with good connect in buying houses and OEM channels, which will go on to become our additional avenues for growth in domestic business. This allows a primary focus to grow our own Nesterra brand instead of a pure play in being a white label supplier, to improve our margins and reach consumers. The Company anticipates that this segment will become a significant part of our home textile business, owing to a direct-to-consumer model through retailers. We are actively pursuing this initiative and will allocate necessary capital expenditure as required.

Our export performance

In FY 2025, India's home textile sector witnessed a strong recovery, with exports rising by 10% in the first nine months, driven by renewed global demand, restocking by retailers, and a shift in sourcing away from China. The US remained the largest market, contributing 56% of exports. Revenue growth is estimated at 7 assume 9%, supported by domestic demand, real estate expansion, and government incentives. Despite margin pressures from rising logistics and operational costs exacerbated by Red Sea disruptions, operating margins are expected to remain stable. Growth is likely to be bolstered by FTAs with the UK, EU and Australia, along with the continued development of PM-MITRA parks and the PLI scheme.

Our protected strengths

- Leveraged the strength and legacy of the House of Sutlej
- Offered a distinctive and competitive product range
- Our strong design team that customizes products around individual preferences
- Ensure superior product longevity
- Supported by a loyal and extensive customer base
- Committed to environment-friendly fibres that enhance brand respect
- Utilizing a captive consumption of yarns and mélange yarns

Outlook, FY2025-26

The outlook for FY 2025-26 remains optimistic, backed by a strong foundation in design innovation, market responsiveness and operational agility. The Company remains focused on creating long-term value across all segments of the home textiles business.

Retail

- Nesterra will continue its trajectory of innovation through the launch of Design 5.0 Collections, aimed at capturing evolving consumer preferences and maintaining exclusivity for top performing retail stores.
- A continued push into Tier 1 and Tier 2 will be supported by improved store visibility, new shop-in-shop installations, and deeper retailer engagement.
- Strategic branding and visual merchandizing execution at the top retail stores through standardized branding across all the top stores will enhance brand recall and loyalty.
- Digital and influencer ecosystems will be scaled to boost organic traction and deliver hyper-local brand communication.

Exports

- The newly formed Ready-Made Products vertical is expected to contribute to top-line growth, supported by differentiated design capabilities.
- Strategic market expansion beyond demand. Saturated regions will be pursued through a niche positioning in new geographies and by participating in international exhibitions and trade fairs.
- Mill-direct and OEM channels, buying houses will remain instrumental in optimizing and maintaining consistent order flows.
- Thrust will be on new customer accounts, including institutional sales, wholesalers and large format retailers.
- Focus on sustainable and functional products, such as recycled polyester and special finished products like IFR and anti-microbial fabrics will be maintained.
- Enter new business segments and geographic regions, including Russia, South Africa, and Australia, with local agents will help onboard new customers.
- Categorize customers into Platinum, Gold, and Silver tiers will prioritize service and sales efforts.
- Upsell to key wholesalers and target high-growth markets with premium products will compensate for regions with differential pricing.

Domestic

- Continued price innovation will maintain competitiveness without compromising on quality.
- Expansion of business with select large-format retailers and regional players will help to grow the business.
- Leverage and promote business in buying houses in the domestic segment.
- Initiate institutional sales through wholesalers selling into projects for well-known organizations.
- Create a specialsation in government projects like, railways, military projects with special finished products like IFR fabrics, etc.
- Continue to invest in innovation, customer insight, digital transformation and sustainable practices, aligning the home textiles business with the broader vision of the Company emerging as a preferred global partner in textiles solutions.

Our Nesterra portfolio

The products are jacquard and dobby wovens, prints, velvets, embroideries and sheers for following application/end uses.

- Curtain/drapery fabrics – 140 cms and 300 cms wide
- Upholstery fabrics - flat and pile fabrics
- Readymade products like - decorative bedding range, curtains, cushions/dec pillows, kitchen linen.

Business **driver**

Navigating change with skilled talent, empowering sustained progress

Overview

At Sutlej, we foster an engaging and inclusive work culture that prioritizes people development. The Company remains committed to investing in its workforce, empowering individuals to realize their potential and find purpose in their contributions to the organization. In FY 2024–25, the business stood out through a strategic and integrated approach to operations and people management. A strong focus was placed on aligning business objectives with individual employee goals, fostering a unified direction across the organization. Decision-making processes were enhanced through analytics-driven HR management, enabling more informed and impactful outcomes. The digitization of HR processes further streamlined operations, improving efficiency and transparency. Leadership development remained a priority, particularly in strengthening change management capabilities. Additionally, cross-functional collaboration was actively promoted, reinforcing the HR function's role as a true business partner in driving performance and organizational growth.

Cross-functional collaboration was actively promoted, reinforcing the HR function's role as a true business partner in driving performance and organizational growth

Strengths

Talent management

- Ensured alignment between roles and business strategy by placing the right talent in the right position.
- Built a strong talent pipeline for critical roles to ensure future readiness.
- Promoted internal growth and career development opportunities.

Talent acquisition

- Designed and implemented an effective recruitment strategy aligned with organizational goals.
- Prioritized cultural fit and long-term employee retention.

Employee engagement and motivation

- Conducted regular surveys and feedback loops to stay connected with employee expectations and needs.

Performance management

- Established a clear goal-setting and performance appraisal system.
- Fostered a performance-driven culture throughout the organization.
- Linked individual performance outcomes directly with broader business objectives.

HR digitization

- Developed an HR MIS to track key HR metrics such as attrition, absenteeism, training man-days, and recruitment lead time.
- Leveraged data analytics to improve decision-making in hiring, promotions, and compensation management.

HR initiatives, FY 2024–25

In FY 2024–25, several HR strategic initiatives were undertaken to transform and strengthen organizational capabilities. A major milestone was the launch of the leadership development programme PARIVARTAN – Lead the Change, which successfully covered all senior staff. The internal talent identification process was completed, identifying 57 critical talents. The Company welcomed around 40 young Graduate and Diploma Engineer Trainees through campus hiring from premier institutes across India. A comprehensive workload analysis project was carried out as a foundation for future rightsizing efforts. The Meri Awaz employee engagement survey, covering 11 critical success factors, was conducted, and action plans based on findings were shared with respective units. Sutlej the laid down a structured HR digitization roadmap under the initiatives of Sutlej One, aimed at enhancing process integration.

Awareness workshops on the behavioural competency framework and empowered feedback were conducted for managerial-level employees at Birla Textile Mills and Rajasthan Textile Mills. Another key transformation step was the 'One Sutlej One HR' initiative, designed to standardize HR policies across all business units. Each unit's HR Single Point of Contact was responsible for local implementation, supported by strategic guidance from Corporate HR. The organization achieved 90% coverage in awareness of the performance management system, reinforcing a culture of accountability and growth.

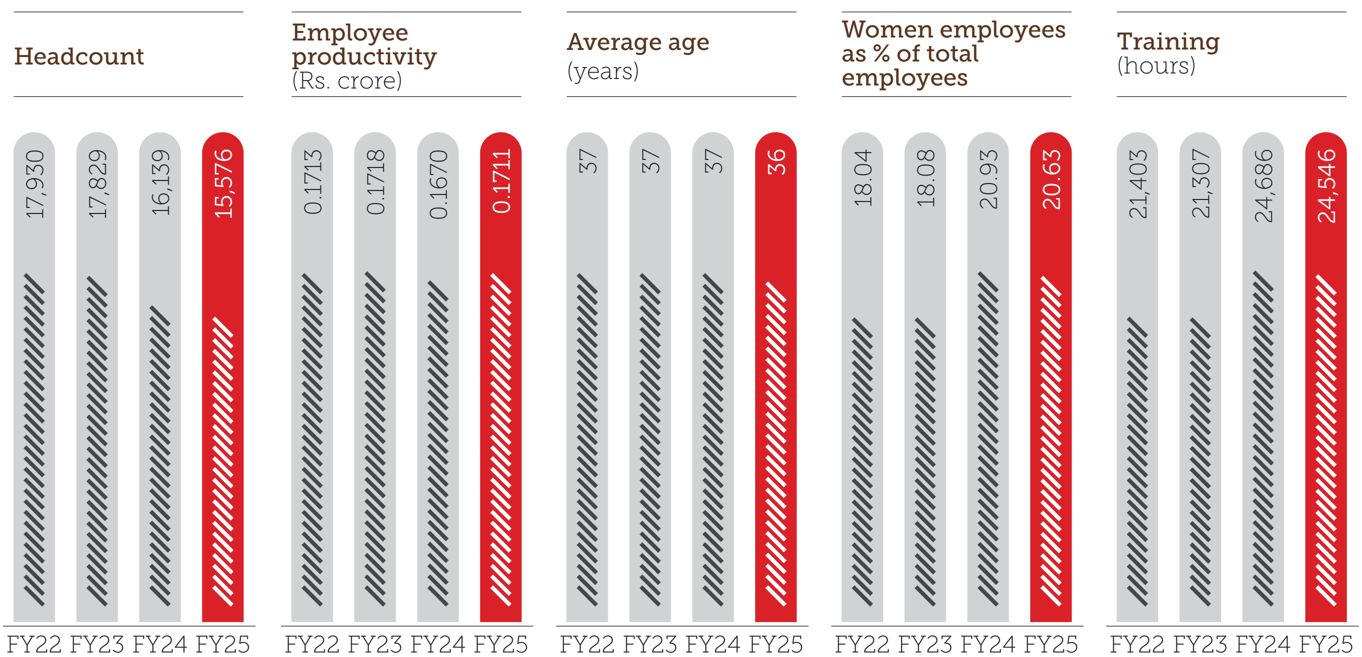
Principal challenges addressed, FY 2024-25

- Internal talent mobility, leadership development, succession planning
- Creating a younger organization
- Organization right-sizing and restructuring
- Employee engagement, satisfaction and motivation
- HR digitization
- One Sutlej culture building
- HR policies standardization
- Employee retention and position HR as a talent magnet

Outlook

In FY 2025-26, focus will be on driving strategic HR initiatives to align closely with organizational goals and future-readiness. Key priorities include Green HR practices and implementing workforce planning strategies synchronized with production cycles. Emphasis will be placed on talent retention, succession planning and leadership development to build a resilient and future-oriented workforce. The HR function will play a pivotal role in supporting broader business transformations, including automation and the achievement of sustainability goals. Additionally, efforts will continue to promote a performance-driven and learning-centric culture, backed by structured talent acquisition, seamless onboarding experiences, and the development of a comprehensive skill inventory. Enhanced focus on competency building and capability enhancement will ensure the organization remains competitive and agile in a rapidly evolving business environment.

Our dashboard



Responsibility

Our Heath, Safety and Environment (HSE) commitment

Overview

At Sutlej, Health, Safety, and Environment (HSE) are central to our operations and values. We believe success lies not just in doing the right things, but in doing them the right way—ethically, responsibly, and inclusively. Our approach goes beyond serving a few; it is about creating value for all stakeholders. Earning and sustaining stakeholder trust is at the core of our business. It drives customer preference, employee engagement, vendor partnerships, investor confidence, banker support, and community goodwill.

Sutlej and HSE

At Sutlej, ensuring health, safety, and environmental compliance is fundamental to minimizing operational hazards and safeguarding our workforce. We are dedicated to foster a safe, risk-free workplace by actively identifying and mitigating occupational health and safety risks. Our proactive engagement with employees in decision-making reflects our commitment to their wellbeing and that of the surrounding communities, strengthening our identity as a responsible and trusted organization.

Environmental stewardship is seamlessly integrated into our operations, guided by the 4R principles: Recycling, Replacement, Reduction, and Renewables. By investing in advanced technologies and sustainable practices, we aim to reduce resource consumption while supporting long-term growth, quality enhancement, and environmental sustainability.

Certifications

- ISO 45001:2018 Occupational Health and Safety Management System (OHSAS) has been implemented, and the same extends to the entire organization certifications.
- Utilizing GOTS-approved dyes and chemicals, certified by GOTS for eco-friendly practices.
- Awarded GRS certification for our recycling processes.

Health commitment

Sutlej implemented proactive measures to address pollution, enhance safe practices, and decrease health risks across its manufacturing units and offices. Central to this effort was the adoption of a safe operating protocol, designed to identify and mitigate potential hazards. All operations were conducted in controlled environments, backed by the presence of trained medical personnel at each facility to ensure swift and effective response to health and safety needs.

Our health and safety initiatives

Policy commitment: Sutlej's Occupational Health and Safety (OH&S) policy reflects its strategic vision to foster a safe and healthy workplace. The policy redefines the role of every individual, encouraging shared responsibility for safety in alignment with established standards and practices.

Board-level priority: Workplace health and safety is a top-down priority, beginning at the Board level and cascading through all managerial tiers. The Company focuses on eliminating primary hazards and strives toward a zero-accident work culture. Regular updates on HSE performance are reported to the Board to ensure continued alignment and accountability.

Awareness and communication: To build a strong safety culture. Sutlej leverages multiple communication channels including verbal briefings, digital platforms, printed materials, pictorial signage, and social media to raise awareness and drive better implementation of HSE protocols.

Team engagement: The Company believes that collaborative teamwork across all levels is vital for HSE excellence. This inclusive approach fosters a sense of ownership among employees, aligning personal responsibility with corporate safety goals.

Risk assessment and reporting: Regular risk assessments are conducted to identify and mitigate operational hazards. Outcomes of these evaluations are reviewed in periodic safety committee meetings to ensure timely action and continuous improvement.

Training initiatives: Sutlej conducts structured health and safety training programs for employees at all levels, ensuring that each team member undergoes at least one training session per month to reinforce best practices.

Mock drills: To strengthen emergency preparedness, the Company carries out regular mock drills across departments and sites. These simulations help employees respond effectively to unexpected incidents, enhancing overall safety readiness.

Protective measures: The Company provides personal protective equipment (PPE) to all relevant personnel, significantly reducing the risk and severity of workplace injuries.

Health monitoring: To ensure employee well-being, Sutlej conducts periodic medical check-ups including tests for vision, hearing, bone density, blood health, and allergies. The results are reviewed with medical professionals to identify any health risks and implement necessary interventions.

Safety commitment

The Company has consistently prioritized safety, taking proactive steps to eliminate unsafe behaviours and conditions across its operations. Regular training and awareness initiatives have been conducted to foster a culture of safety and ensure secure working environments. Special induction programs were held for new employees to acquaint them with safety protocols from the outset. To reinforce this culture, the Company introduced reward and recognition schemes to acknowledge outstanding contributions in areas such as fire prevention, accident reduction, and overall safety enhancement.

Engagement

Driving Sustainability Through Ethical Leadership

At Sutlej, we believe that ethical and sustainable business is not just a choice, it's the foundation of who we are. Our approach to leadership is guided by a deep respect for both humanity and the environment. In an ever-evolving industry landscape, we do not just adapt, we innovate. We see sustainability as a powerful driver of transformation, and we are committed to reshaping our operations to reduce environmental impact, enhance efficiency, and create lasting value for our people, partners, and communities.

Key ESG initiatives of the year

We undertook several initiatives and implemented key improvements, reflecting our strong commitment to advancing our Environmental, Social, and Governance (ESG) priorities

Commitment to environmental stewardship

At Sutlej, environmental responsibility is deeply woven into our operations. In a business that depends on natural resources, conserving materials and fostering circularity is not just an ethical imperative, it is also a sound business practice.

Our commitment to sustainable manufacturing is reflected in the wide range of globally recognized certifications held across our units. These include the Global Recycled Standard, Global Organic Textile Standard (GOTS), and OEKO-TEX® Standard 100, underscoring our adherence to high environmental and safety standards in textile production.

Several of our units are certified under ISO standards, such as ISO 9001:2015, ISO 45001:2018, and the updated ISO 14001:2025, indicating robust quality, occupational health and safety, and environmental management systems.

Some facilities also hold certifications for the Organic Content Standard (OCS) and Recycled Claim Standard (RCS), affirming our focus on responsible sourcing and traceability. Our alignment with the Better Cotton Initiative (BCI) further supports sustainable cotton farming practices.

Notably, one of our units is Usterized-certified and also Zero Discharge of Hazardous Chemicals compliant, reflecting our commitment to eliminating harmful substances from the supply chain.

Energy management and optimization

Optimizing energy use is a key pillar of our environmental stewardship. All manufacturing units have adopted a mix of process enhancements and advanced energy-efficient technologies aimed at reducing both electricity and fuel consumption. Through targeted investments, we aim to achieve a projected reduction of approximately 14,835 kWh per day in FY 2025-26, reinforcing our commitment to operational efficiency.

Each site operates with clearly defined energy reduction goals, and progress is systematically monitored to ensure continual improvement. Alongside these efficiency measures, we are actively expanding our use of renewable energy. Solar power is being utilized at multiple locations to offset grid electricity demand.

In addition, we have modernized our boiler systems to run on biomass fuels, primarily wood chips, and are now in the process of integrating grass straws as an alternative renewable input. These efforts are not only reducing our environmental impact but also aligning our operations with long-term sustainability and energy resilience objectives.

Creating value through waste optimization

With increased production volumes during FY 2024-25, we saw a corresponding rise in waste generation. However, our strong focus on circularity and resource efficiency ensured that 93.48% of the waste generated was effectively reused, recycled, or recovered across our operations.

Only 3% of the waste was sent for disposal, underscoring our commitment to minimizing environmental impact even amidst growth.

Our Green Fibre Unit in Baddi, Himachal Pradesh, continues to play a key role in addressing India's plastic waste challenge. This facility is dedicated to converting post-consumer PET waste into quality yarn. During the last year, 0.4 million tons of PET bottles were diverted from landfills and given a second life through this initiative.

Water conservation at Sutlej

Understanding the critical importance of water stewardship in the textile industry, Sutlej continues to advance its efforts to reduce water consumption and improve reuse across its operations.

In FY 2024–25, we operated Zero Liquid Discharge (ZLD) systems in two of our units, ensuring no wastewater was released into the environment. As part of our continuous improvement initiatives, a comprehensive water audit was conducted this year, identifying opportunities to recover an estimated 60 kilolitres of condensate water per day. Additionally, new system installations are projected to reduce hot water usage by approximately 5 kilolitres per day, contributing to both water and energy savings.

During the reporting period, we recycled over 13 lakh kilolitres of water, demonstrating our ongoing commitment to circular water use and gradually reducing our dependence on freshwater sources.

Social responsibility and workplace well-being

Sutlej continues to prioritize employee development and workplace safety.

- Training coverage on human rights issues and policies rose from 71.07% to 87.5% among employees and workers.
- Nearly, 84% of our workforce was covered under performance and career development reviews.
- All units were audited for health and safety compliance, and we proudly achieved an 'A' ranking in our social audit.
- We maintained a zero-tolerance policy towards sexual harassment, ensuring a safe and inclusive environment for all women through strong preventive measures and awareness initiatives.

Embedding ESG into our governance framework

At Sutlej, governance extends beyond compliance; it is the cornerstone of our ESG strategy. We are strengthening our internal systems by integrating environmental, social, and ethical considerations into decision-making processes. With a continued focus on transparency, accountability, and stakeholder trust, we align our governance practices with evolving global standards. This approach enables us to not only meet regulatory expectations but also drive long-term value for all stakeholders.

Strengthening ESG Oversight and Integration

In FY 2024-2025, Sutlej strengthened the integration of ESG principles into its core operations. With strategic direction from the Board and CSR Committee, our ESG Core Team is actively embedding sustainability priorities into business planning, operational strategy, and risk management.

Driven by our foundational values, we continue to address material ESG topics with foresight and accountability, transforming risks into opportunities and raising the bar on our commitments. We are grateful for the ongoing trust and collaboration of our stakeholders as we progress toward a more sustainable, inclusive, and future-ready Sutlej.

Engagement

Leading Change Through Community Engagement

At Sutlej, Corporate Social Responsibility (CSR) is not just a mandate - it is a deeply held commitment that reflects our values and our responsibility as a corporate citizen. We are focused on creating Corporate Social Value, a framework where business success is interlinked with social progress. Our CSR philosophy is rooted in the belief that people are at the heart of everything we do. This belief shapes our approach to social investment and drives us to address the real needs of society through focused, sustainable, and impactful initiatives.

By embedding social responsibility into our core strategies and operations, we are addressing some of the most pressing challenges - from access to education and healthcare to environmental degradation and rural development. Our programs are designed with grassroots realities in mind, ensuring they create long-term value and uplift communities across urban and rural landscapes. Our efforts are aimed at building a fairer, more inclusive, and greener world.

Our journey in CSR continues with a sense of purpose and responsibility. We remain committed to strengthening our programs, exploring new avenues and expanding our reach to touch more lives in the coming years. By doing so, we aspire to contribute meaningfully to society.

Sutlej stands firm in its commitment to act as a catalyst for change - creating value not just for shareholders but for all stakeholders, especially those who need it the most. Our CSR initiatives reflect the values we cherish and the future we envision: one where communities thrive, nature is respected, and progress is shared by all.

Corporate Information

Board of Directors

Mr. C. S. Nopany - Executive Chairman

Ms. Sonu Bhasin (till 06th May, 2025)

Mr. Rohit Dhoot

Mr. Ashok Mittal

Mr. Sameer Kaji (w.e.f. 09th May, 2024)

Ms. Deepa Kapoor (w.e.f. 09th May, 2024)

Mr. Arhant Nopany (w.e.f. 09th May, 2024)

Mr. Rajib Mukhopadhyay (till 23rd March, 2025)

Mr. Ashishkumar Srivastava (w.e.f. 24th March, 2025)

Executives

Corporate office

Mr. Ashishkumar Srivastava - Chief Executive Officer (w.e.f. 24th March, 2025)

Mr. Rajib Mukhopadhyay - Chief Financial Officer (till 11th June, 2025)

Mr. Sachin Karwa - Chief Financial Officer (w.e.f. 11th June, 2025)

Mr. Manoj Contractor - Company Secretary & Compliance Officer

Unit Heads

Kathua Unit

Mr. U. K. Pattnaik - Executive President

Bhawanimandi Unit

Mr. Dinesh Rajpurohit - Executive President

Baddi Units

Mr. Rohit Arora - Executive President

Daheli Unit

Mr. Chandrashekhar Thete - Sr. Vice President (Works)

Auditors

M/s. BSR & Co., LLP
Chartered Accountants
Building No. 10, 8th Floor, Tower - B
DLF Cyber City, Phase - II
Gurgaon - 122 002

Registrar & Transfer Agent

MUFG Intime India Pvt. Ltd.
C-101, Embassy 247,
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Tel. +91 8108116767; Fax (022) 4918 6060
Email id: rnt.helpdesk@in.mpms.mufg.com

Bankers

Punjab National Bank

The Jammu & Kashmir Bank Limited

HDFC Bank Limited

State Bank of India

Bank of Maharashtra

DCB Bank Limited

DBS Bank Limited

ICICI Bank Limited

Federal Bank Limited

Axis Bank Limited

Kotak Mahindra Bank Limited

IndusInd Bank Limited

Registered Office

Pachpahar Road
Bhawanimandi 326 502
Rajasthan

Manufacturing Units

Rajasthan Textile Mills

Bhawanimandi 326 502
Rajasthan

Chenab Textile Mills

Kathua 184 102
Jammu & Kashmir

Birla Textile Mills

Baddi 173 205
Himachal Pradesh

Damanganga Units

1) Home Textiles
2) Processing

Village - Daheli
Near Bhilad 396 105, Gujarat

Sutlej Green Fibre

Baddi 173 205
Himachal Pradesh

Financial Highlights (Standalone)

(Rs. in crore)

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Revenue from Operations	2,642.36	2,671.72	3,039.17	3,041.98	1,861.08
Total Income	2,664.97	2,695.95	3,063.89	3,072.25	1,892.19
Earnings Before Depreciation Impairment, Finance Cost and Taxes (EBDIT)	68.18	-5.25	289.06	417.62	146.04
Depreciation, Impairment and Amortization	109.80	115.33	125.41	120.03	94.07
Profit before Tax and Exceptional Items	-103.1	-183.73	107.02	248.87	15.14
Exceptional Items	22.70	18.96	56.00	7.81	-
Profit before Tax	-125.80	-202.69	51.02	241.06	15.14
Profit after Tax	-84.20	-134.61	22.84	155.68	9.51
Equity Dividend (%)	-	-	100	185	30
Dividend Payout	-	-	16.38	30.31	4.91
Equity Share Capital	16.38	16.38	16.38	16.38	16.38
Reserves and Surplus	877.71	959.87	1,107.32	1,113.80	963.64
Net Worth	894.09	976.25	1,123.7	1,130.18	980.02
Gross Fixed Assets	2,567.92	2,538.85	2,497.29	2,481.68	2,414.44
Net Fixed Assets	1,010.33	1,062.34	1,120.17	1,187.13	1,230.65
Total Assets	2,043.35	2,097.12	2,420.77	2,442.49	2,149.30
Market Capitalization	547.02	825.70	664.33	1,165.64	643.03
Capital Employed	1,771.18	1,801.92	2,056.28	2,066.67	1,879.76

Key Indicators

(Rs. in crore)

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Earnings Per Share (Rs.)	-5.14	-8.22	1.39	9.50	0.58
Book Value Per Share (Rs.)	54.57	59.59	68.59	68.99	59.82
Debt Equity Ratio	0.97:1	0.84:1	0.82:1	0.82:1	0.91:1
EBDIT / Gross Turnover (%)	2.58%	-0.20%	9.51	13.73	7.85
Net Profit Margin (%)	-3.19%	-5.04%	0.75	5.12	0.51
Return on Net Worth (%)	-9.42%	-13.79%	2.03	13.77	0.97
Return (PBDIT) to Capital Employed (%)	3.85%	-0.29%	14.07	20.21	7.77

Directors' Report

To
The members,
SUTLEJ TEXTILES AND INDUSTRIES LIMITED

Your Directors are pleased to present the Twentieth Annual Report, together with the audited financial statements of your Company for the year ended 31st March, 2025.

1. FINANCIAL RESULTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with The Companies (Accounts) Rules, 2014. The financial statements for the financial year ended 31st March, 2025 as well as comparative figures for the year ended 31st March, 2024 are Ind AS compliant.

The financial highlights of your Company for the year ended 31st March, 2025 are summarized as follows:

(Rs. in crore)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2025	Year ended 31st March, 2024	Year ended 31st March, 2025	Year ended 31st March, 2024
Total Income	**2,664.97**	**2,695.95**	**2,698.53**	**2,727.22**
EBITDA	68.18	-5.25	64.63	-13.11
Less: Depreciation	109.80	115.33	111.21	117.04
EBIT	-41.62	-120.58	-46.58	-130.15
Less: Finance Cost	61.48	63.15	63.42	65.03
Profit before Exceptional Items and Tax	-103.10	-183.73	-110.00	-195.18
Less: Exceptional Items	22.70	18.96	-	8.45
Profit Before Tax	-125.80	-202.69	-110.00	-203.63
Less: Tax	-41.60	-68.08	-41.60	-68.07
Profit after Tax	**-84.20**	**-134.61**	**-68.40**	**-135.56**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between end of the financial year and the date of this report. There has been no change in the nature of business of the Company.

The Company has not transferred any amount to Reserves for the year ended 31st March, 2025.

2. DIVIDEND

Due to the challenges faced during the year under review, your Board of Directors have decided not to declare any dividend for the financial year 2024 - 25. This strategic decision aims to support future growth and long-term shareholder value.

3. FINANCE

3.1 Your Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through a process of continuous monitoring.

3.2 Rating

Your Company has been assigned a rating of:

i. IND A+ Outlook: Negative for term loan facilities.

ii. IND A+ Negative for fund based and non - fund based long term working capital limits.

iii. IND A1 for fund based and non - fund based short term working capital limits.

3.3 Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments made by your Company and covered under the provisions of Section 186 of the Act are appended as notes to the financial statements.

4. MODERNIZATION AND OTHER CAPITAL PROJECTS

During the financial year, your Company continued with various modernization and de-bottlenecking activities.

Your Company has invested an amount of Rs. 62.84 crore on modernization, technology up-gradation and de-bottlenecking during the year. This will result in further improvement in efficiency and sustaining plant utilization and will result in value addition and improvement in quality.

5. SUBSIDIARIES

The Company has a wholly owned subsidiary in the USA viz. Sutlej Holdings Inc., which in turn has a wholly owned subsidiary viz. American Silk Mills, LLC. Pursuant to the provisions of Indian Accounting Standard - 110 (Ind AS - 110) prescribed under the Companies (Accounting Standards) Rules, 2006, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015) and as prescribed by the Securities and Exchange Board of India, consolidated financial statements presented by the Company include financial information of subsidiary companies, which forms part of the Annual Report.

The highlights of financial performance of the Company's subsidiaries for the financial year 2024 - 25 are disclosed in Form AOC - 1, which forms part of the Financial Statements. Your Company has also formulated a policy for determining material subsidiaries, which is available on the website of the Company at the web link:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Material%20Subsidiary%20Policy.pdf

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The detailed review of the operations, state of your Company's affairs, performance and outlook of the Company is given separately in the Management Discussion and Analysis Report as required under Regulation 34 of the Listing Regulations, 2015 by way of "Annexure I" to this report.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

7.1 Change in Key Managerial Personnel (KMP)

a) Mr. C. S. Nopany ceased to be a Key Managerial Personnel of the Company w.e.f. 24th March, 2025.

b) Mr. Ashishkumar Srivastava was appointed as the Chief Executive Officer and Key Managerial Personnel of the Company w.e.f. 24th March, 2025.

c) Mr. Rajib Mukhopadhyay ceased to be the Chief Financial Officer and KMP of the Company w.e.f. 11th June, 2025.

d) Mr. Sachin Karwa was appointed as the Chief Financial Officer and KMP of the Company w.e.f. 11th June, 2025.

7.2 Re-appointment of Directors

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Arhant Nopany (DIN 07863206) will retire by rotation at the ensuing 20th Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Necessary resolution seeking approval of the members for the proposed re-appointment of Director, along with his brief profile and terms of re-appointment, have been incorporated in the Notice of the ensuing AGM.

7.3 Appointment of Directors

a) Mr. C. S. Nopany (DIN 00014587) was appointed as Wholetime Director designated as "Executive Chairman" of the Company for a period of 3 (three) years w.e.f. 1st July, 2024. It is proposed to appoint Mr. Nopany as the Managing Director of the Company designated as "Executive Chairman" for a period of 3 (three) years w.e.f. 1st August, 2025. Necessary resolution seeking the approval of the members forms part of the Notice of the ensuing AGM.

b) Mr. Arhant Vikram Nopany (DIN 07863206) was appointed as Additional Non-Executive Director of your Company w.e.f. 9th May, 2024. His appointment was regularized as Non-Executive Director of the Company in the AGM held on 30th July, 2024. Mr. Sameer Kaji (DIN 00172458) and Ms. Deepa Kapoor (DIN 06828033) were appointed as Additional Independent Directors of your Company w.e.f. 9th May, 2024 and their appointments were regularized in the AGM held on 30th July, 2024.

c) Mr. Rohit Dhoot (DIN 00016856) and Mr. Ashok Mittal (DIN 00016275) were appointed as Independent Directors of your Company w.e.f. 30th July, 2024.

d) Mr. Ashish Kumar Srivastava (DIN 06527942) was appointed as an Executive Director designated as "Wholetime Director and Chief Executive Officer" of the Company for a period of 3 (three) years w.e.f. 24th March, 2025. Necessary resolution seeking approval for the appointment alongwith his brief profile, was included in the Postal Ballot Notice dated 22nd March, 2025.

The Independent Directors have been appointed for a period of 5 (five) consecutive years from the date of their respective appointments.

In the opinion of Board, the aforementioned Directors are persons of integrity who possess essential skills, expertise and competencies in the context of the Company's business for effective functioning and fulfil requisite conditions as per applicable laws. The key skills, expertise and core competencies of the Board of Directors are detailed in the Corporate Governance Report, which forms part of this Annual Report. Except Mr. C. S. Nopany and Mr. Arhant Vikram Nopany, no other Directors are related to each other and are independent of the management of the Company.

Necessary resolutions seeking the members' approval for the appointment of Directors, along with their brief profiles, were included in the Notice of the 19th AGM of the Company and approval sought through Postal Ballot.

7.4 Cessation / Resignation of Directors

Mr. U. K. Khaitan (DIN 01180359), Mr. Amit Dalal (DIN 00297603), Mr. Rajan Dalal (DIN 00546264) and Mr. Rajiv Podar (DIN 00086172) completed their second term of five (5) consecutive years as Independent Directors of the Company on 22nd August, 2024. Accordingly, they ceased to be Independent Directors of the Company w.e.f. 23rd August, 2024.

Ms. Sonu Bhasin (DIN 02872234) ceased to be an Independent Director of the Company on completion of her second term of five (5) consecutive years on 6th May, 2025.

Mr. Rajib Mukhopadhyay (DIN 02895021) resigned from the position of Wholetime Director of the Company w.e.f. close of business hours on 23rd March, 2025.

The Board places on record its appreciation for valuable services and guidance provided by the outgoing Directors, during their tenure as Directors.

7.5 Independent Directors

All Independent Directors of the Company have been appointed for a fixed term of 5 (five) consecutive years from the date of their respective appointment / regularization in the AGM and they are not liable to retire by rotation. All Independent Directors have declared that they meet the criteria of independence as laid down under Section 149(6) of the Act and Listing Regulations, 2015. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of strategy, planning and execution, management and leadership, legal and risk management, corporate governance systems and practices, finance, banking and accounts and possess the requisite functional and managerial experience and they hold highest standards of integrity.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

7.6 Board Effectiveness

7.6.1 Familiarization Policy

Pursuant to Regulation 25(7) of Listing Regulations, 2015, the Board has framed a policy to familiarize the Independent Directors about the Company. The policy is available on the website of the Company at the weblink:

https://www.sutlejtextiles.com/pdf/csr/FamiliarisationProgramme-2024-25.pdf

The Familiarization Policy of the Company seeks to familiarize the Independent Directors with the working of the Company, their roles, rights and responsibilities, vis a vis the Company, the industry in which the Company operates, business model, etc.

7.6.2 Board Evaluation

Pursuant to the provisions of the Act and Listing Regulations, 2015, the Board has carried out an evaluation of its own performance and that of the Directors individually, as well as the evaluation of the working of the Board Committees. The manner of evaluation has been explained in the Corporate Governance Report.

7.6.3 Criteria for selection of Directors, KMPs and Senior Management Personnel (SMPs) and their remuneration

The Board on the recommendation of the Nomination and Remuneration Committee (NRC) has framed a policy for selection and appointment of Directors, KMPs and SMPs and their remuneration. The policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/STIL_Remuneration%20Policy0525.pdf

The policy contains, inter-alia, principles governing the appointment and remuneration of Directors, KMPs and SMPs, including criteria for determining qualifications, positive attributes, independence of Directors, etc.

7.6.4 Key Managerial Personnel

Pursuant to the provisions of Sections 2(51) and 203 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:

- Mr. Ashishkumar Srivastava, Wholetime Director & CEO (w.e.f. 24th March, 2025);
- Mr. Sachin Karwa, CFO (w.e.f. 11th June, 2025); and
- Mr. Manoj Contractor, Company Secretary & Compliance Officer.

8. MEETINGS OF THE BOARD

A calendar of prospective meetings is prepared and circulated in advance to the Directors. During the year, six meetings of the Board were convened. The details of Board and Committee meetings held during the year under review, are given in the Corporate Governance Report forming part of this Annual Report. The gap between these meetings was within the period prescribed under the Act and Listing Regulations, 2015.

9. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company did not enter into any material related party transactions with Promoters, Directors, KMPs or other designated persons.

All related party transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for transactions which are of a foreseeable and repetitive nature. A detailed statement of such related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for their review on a quarterly basis. Suitable disclosures as required by the Indian Accounting Standards-24 (Ind AS - 24) have been made in the notes to Financial Statements.

The Company has formulated a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and is available at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/STIL%20RPT%20Policy09052025.pdf

The disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 forms part of this report.

10. INTERNAL FINANCIAL CONTROL SYSTEMS

Your Company's Internal Financial Control Systems are robust, comprehensive and commensurate with the nature of its business, size, scale and complexity of its operations. The system covers all major processes including operations, to ensure reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Auditors continuously monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's risk management with regard to internal control framework.

The policies and procedures adopted by the Company ensures orderly and efficient conduct of its business and adherence to the Company's policies, prevention and detection of frauds and errors, accuracy and completeness of records and timely preparation of reliable financial information. The Audit Committee actively reviews adequacy and effectiveness of internal control systems and suggests improvements, for strengthening them in accordance with business dynamics, if necessary. It also reviews Internal Audit Reports on a quarterly basis. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the Financial Statements, including the financial reporting system and compliance of accounting policies and procedures followed by the Company.

11. AUDITORS

11.1 Statutory Auditors

The Company's Auditors, M/s. BSR & Co., LLP, Chartered Accountants, (ICAI Firm Registration Number: 101248W/W-100022), were re-appointed as the Statutory Auditors of the Company for a second term of five years commencing from the financial year 2022 - 23 to hold office from the conclusion of the 17th AGM of the Company till the conclusion of the 22nd AGM to be held in the year 2027. The Auditors have confirmed their eligibility under Section 141 of the Act and Rules framed thereunder. As required under Regulation 33 of the Listing Regulations, 2015 the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by the Auditors on the Financial Statements of the Company for the financial year ended 31st March, 2025 is part of the Annual Report. There has been no qualification, reservation, adverse remark, reporting of any fraud including under Section 143(12) of the Act or disclaimer by the Auditors in their Report.

11.2 Internal Auditors

The Board of Directors on the recommendation of the Audit Committee of the Board has appointed M/s. Singhi & Co., Chartered Accountants (Firm Registration Number: 302049E) as Internal Auditors of the Company. M/s. Singhi & Co. have confirmed their eligibility and have granted their consent to act as Internal Auditors of the Company for the financial year 2025 - 26.

11.3 Cost Records and Cost Auditors

In conformity with the provisions of Section 148 of the Act read with The Companies (Cost Records and Audit) Amendment Rules, 2014, Cost Audit is applicable to the Company. The accounts and records for the same are made and maintained by the Company as specified by the Central Government under Section 148(1) of the Act. The Board on the recommendation of the Audit Committee, has appointed M/s. K. G. Goyal & Associates, Jaipur, Cost Accountants (Firm Registration Number: 000024) to audit the cost records relating to the Company's units for the financial year ending on 31st March, 2026, at a remuneration as specified in the Notice convening the 20th AGM.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s. K. G. Goyal & Associates, Cost Accountants is included in the Notice convening the 20th AGM.

11.4 Secretarial Auditors and Secretarial Audit

Pursuant to the amended provisions of Regulation 24A of the Listing Regulations, 2015 and Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors have approved and recommended the appointment of M/s. CSM & Co., peer reviewed firm of Company Secretaries in Practice (Firm Registration Number: P2025RJ105300) as Secretarial Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of the ensuing AGM till the conclusion of the 25th AGM of the Company to be held in the year 2030, for approval of the members at the ensuing AGM of the Company.

A brief profile and other details of M/s. CSM & Co. are separately disclosed in the Notice of the ensuing AGM. M/s. CSM & Co. have given their consent to act as the Secretarial Auditors of the Company and confirmed that their appointment (if made) would be within the prescribed limits under the Act and Rules made thereunder and Listing Regulations, 2015.

The Secretarial Auditors have confirmed their eligibility as required under Regulation 24A of the Listing Regulations, 2015 and have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Company Secretaries of India.

They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of the provisions of the Act and Rules made thereunder and Listing Regulations, 2015.

11.5 Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. R. Chouhan & Associates, Company Secretary in Practice, to undertake the Secretarial Audit of the Company for the year under review. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer and is annexed to this Report.

In addition to the above and pursuant to SEBI circular dated 8th February, 2019, a report on Secretarial Compliance for the financial year 2024 - 25 has been submitted to stock exchanges.

12. BUSINESS RISK MANAGEMENT

Pursuant to Regulation 17(9) of the Listing Regulations, 2015, the Company has laid down a robust risk management framework to inform the Board about the risk assessment and minimization procedures undertaken by the Company. Your Company has formed a Risk Management Committee, for timely identification and mitigation of risks as a good governance practice.

The risk management framework is designed to identify, evaluate and assess business risks and their impact on Company's business. The risk assessment and minimization procedures are reviewed by the Risk Management Committee and the Board periodically to ensure that executive management controls risk through the mechanism of a properly defined framework. The framework is aimed at creating and protecting stakeholder value by minimizing threats and losses and identifying and maximizing opportunities.

The Risk Management Policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Risk%20Management%20Policy.pdf

13. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed pursuant to Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is given to the extent applicable in "Annexure II", to this Report.

14. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. Your Company has implemented all the stipulations enshrined in the Listing Regulations, 2015, and the requirements set out by the Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under Regulation 27 of the Listing Regulations, 2015 forms part of this Report as "Annexure III". The requisite Certificate from M/s. R. Chouhan & Associates, Company Secretary in Practice, confirming compliance with the conditions of Corporate Governance stipulated under Regulation 27 of the Listing Regulations, 2015 is annexed to the Report on Corporate Governance, which forms part of this Report.

15. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an integral part of your Company's ethos and policy and it has been pursuing this on a sustained basis. In conformity with Section 135 of the Act and Rules made thereunder, your Company has formed a Corporate Social Responsibility (CSR) Committee to oversee the CSR activities undertaken by the Company. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. Your Company has adopted a CSR Policy for the Company which provides a broad framework with regard to implementation of CSR activities carried out by the Company in accordance with Schedule VII of the Act. The CSR Policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/CSR%20Policy2022.pdf

During the financial year 2024-25, your Company has spent Rs. 100.75 lakhs towards CSR activities. Your Company's key objective is to make a difference to the lives of the underprivileged and local communities and is committed to CSR engagement. A report on CSR activities as prescribed under the Act and Rules made thereunder is annexed herewith as "Annexure IV".

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct.

Under the vigil mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of Regulation 22 of the Listing Regulations, 2015, protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. Adequate safeguards are provided against victimization to those who avail of the vigil mechanism.

The Whistle Blower Policy is available on the Company's website at the weblink :

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Whistle%20Blower%20Policy.pdf

17. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Your Company does business that delivers long term shareholder value and benefits society. Your Company continue to focus on its commitments which are aligned with national priorities and United Nations Sustainability Development Goals.

Your Company aims to create a positive business environment and empowering your Company's employees to make sustainable business decisions.

In terms of Regulation 34 of Listing Regulations, 2015 read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" ('BRSR'). The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBC').

The BRSR is annexed as "Annexure V" and forms an integral part of this Report.

18. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has in place a Policy on prevention, prohibition and redressal of sexual harassment at workplace as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and Rules framed thereunder. Our POSH Policy is inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders. This has been widely communicated internally. Your Company has constituted an Internal Complaints Committee as per the requirement of the Act to redress complaints relating to sexual harassment at its workplaces. No complaints were received during the year under review.

19. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for the financial year ended 31st March, 2025 is uploaded on the website of the Company and can be accessed at www.sutlejtextiles.com

20. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other required information pursuant to Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, is provided herewith as "Annexure VI" and forms part of this Report.

21. COMPLIANCE OF ACCOUNTING STANDARDS

As per requirements of the Listing Regulations, 2015 and applicable Accounting Standards, your Company has made proper disclosures in the Financial Statements. The applicable Accounting Standards have been duly adopted pursuant to the provisions of Sections 129 and 133 of the Act.

22. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India and forming part of the Act, on meetings of the Board of Directors and General Meetings.

23. DIVIDEND DISTRIBUTION POLICY

As required under Regulation 43A of Listing Regulations, 2015, your Company has formulated a Policy on Distribution of Dividend which can be accessed at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Dividend-Distribution-Policy.pdf

24. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Act :

a. that in the preparation of the annual financial statements for the year ended 31st March, 2025, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;

b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the profit or loss of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and

f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

25. OTHER DISCLOSURES

During the year under review:

- no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and / or it's operations in future;
- no proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution;
- no shares with differential voting rights and sweat equity shares have been issued;
- no instance of buyback of shares;
- no public deposits as defined under Chapter V of the Act have been accepted by the Company;
- there were no instances of receipt of any remuneration or commission by the Wholetime Director of the Company from any of its subsidiaries;
- the Company has complied with the provisions of Maternity Benefit Act, 1961;
- no agreements requiring disclosure under clause 5A of part A of para A of Schedule III, of the Listing Regulations, 2015 were entered.

26. CAUTIONARY STATEMENT

Statements in the Directors Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

27. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from various stakeholders including financial institutions and banks, government authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your Directors take this opportunity to place on record their appreciation for the committed services rendered by the employees of the Company at all levels, who have contributed significantly towards the Company's performance and for enhancing its inherent strength.

Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board

(C. S. Nopany)
Executive Chairman
DIN 00014587

Place: Dubai
Dated: 11th June, 2025

Annexure-I

Management Discussion and Analysis

Global Economic Scenario

The global economy continues to face significant headwinds, driven by slowing growth, persistent inflationary pressures and escalating geopolitical uncertainties. Recent forecasts from major economic institutions indicate a downturn in global economic activities, particularly impacting major economies like the United States and China.

Global Growth Outlook

The International Monetary Fund (IMF) has notably revised downwards its global growth forecast to 2.8% for 2025, a sharp reduction from the previous estimate of 3.3%. The United Nations Conference on Trade and Development (UNCTAD) has projected an even lower growth rate of 2.3%, citing intensified trade tensions and lingering uncertainties as primary drivers of this recessionary trajectory.

The Peterson Institute for International Economics (PIIE) similarly forecasts a slowdown, estimating global GDP growth at 2.7% in 2025 and marginally improving to 2.8% in 2026, compared to 3.2% growth experienced in 2024.

Global Trade Activity

Contrary to broader economic trends, global trade activity has shown resilience. Global goods trade recorded a year-on-year growth of 2.8% in Q3 FY 25, marking its strongest performance in over two years. The World Trade Organization (WTO) expects this positive momentum to continue in 2025, forecasting merchandise trade volume growth of 3%, the strongest since the COVID-affected year of 2021.

Indian Economic Scenario

Economic Growth Outlook

The World Bank has lowered India's GDP growth estimate to 6.5% for FY 25 and further reduced it to 6.3% for FY26, primarily due to global economic weaknesses, slow private investment growth and public capital expenditure falling short of government targets. Concurrently, the IMF has adjusted India's GDP growth projection downward to 6.2% for 2025 from an earlier forecast of 6.5%.

Inflation and Monetary Policy

In its 54th meeting on 9th April, 2025 the Monetary Policy Committee (MPC) unanimously decided to reduce the policy repo rate by 25 basis points, bringing it down to 6% with immediate effect.

India's headline inflation has moderated notably, reaching 3.34% in March 2025, down significantly from 6.2% in October 2024. The Reserve Bank of India (RBI) is aiming to maintain inflation within its targeted range of 2 - 6%.

The RBI projects CPI inflation for FY26 at 4%, demonstrating controlled inflation dynamics and allowing monetary easing to support economic activity. Retail inflation in India has shown a consistent decline over the past three financial years, easing from 6.7% in 2022-23 to 5.4% 2023-24 and further to 4.6% in 2024-25.

Meanwhile, the annual inflation rate based on the All-India Wholesale Price Index (WPI) stood at 2.05% (provisional) for March 2025, compared to March 2024.

Rupee and Exchange rate

Geopolitical tensions led to volatility in currency markets, with the Indian rupee closing at 84.29 per dollar on 5th May, 2025, marginally weaker due to ongoing geopolitical concerns. The exchange rate has seen wide fluctuation during the last one year from a high at 87.997 in February 2025 to a low at 82.95 in June 2024 and average being at 84.639.

Foreign Exchange Reserve

India's foreign exchange reserves rose consistently, reaching a six-month high of US$ 688.13 billion as of 25th April, 2025, approaching the record high of US$ 704.89 billion achieved previously.

Foreign Direct Investment

Net Foreign Direct Investment (FDI) in India dropped significantly to US$ 1.18 billion during April-December 2024, down from US$ 7.84 billion during the previous year, primarily due to increased repatriation and outward investments by Indian firms. Repatriations rose sharply, and outward FDI by Indian firms increased notably to US$

17.3 billion from US$ 10.9 billion a year ago, reflecting a significant shift in investment dynamics.

Export/Import/Trade Deficit

Total exports in March, 25 recorded a year-on-year growth of 2.65%, reaching an estimated US$ 73.61 billion. Similarly, total imports for March are estimated at US$ 77.23 billion, reflecting a year-on-year growth of 4.90%.

India's overall exports grew approximately 6%, surpassing US$ 820 billion in FY 25 from US$ 778 billion in FY24, despite geopolitical challenges, including the Red Sea crisis, Israel-Hamas conflict, and Russia-Ukraine war. Merchandise exports alone reached US$ 395.63 billion from April to February FY 25.

However, the trade deficit widened significantly to US$ 21.54 billion in March 2025 as compared to US$ 15.31 billion a year earlier, due to an 11% increase in imports, which reached US$ 63.51 billion. Notably, exports growth was modest at 0.7% YoY in March to US$ 41.97 billion, while non-petroleum exports saw a moderate increase of 2.2% at US$ 37.07 billion in March 25.

During the April-December 2024 period, the current account deficit widened to US$ 37 billion, or 1.3 % of GDP, from US$ 30.6 billion (1.1% of GDP) in the same period of 2023.

Industrial and Core Sector Performance

The Index of Industrial Production (IIP) saw modest growth of 2.9% in February 2025, a slowdown compared to January's 5% growth. The combined Index of Eight Core Industries (ICI) grew by 3.8% in March 2025, with cumulative growth for FY 25 at 4.4%, reflecting steady but subdued industrial activity.

Goods and Services Tax (GST)

The GST collection reached an all-time high of Rs 2.37 lakh crore, marking a 12.6% YoY increase, compared with Rs 1.96 lakh crore in March 2025, and beating previous April's high of Rs. 2.1 lakh crore. The gross GST revenue for FY 25 amounted to Rs. 22.08 lakh crore against Rs. 20.18 lakh crore in FY24, registering a healthy 9.4% YoY growth. The consistent rise in GST collections indicate enhanced economic activity and improved tax compliance.

Growth of the Indian economy

	FY22	FY23	FY24	FY25E
Real GDP growth (%)	8.7	7.2	9.2	6.5

E: Estimated

(Source: MoSPI, Financial Express)

Growth of the Indian economy quarter by quarter, FY 2024-25

	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25E
Real GDP growth (%)	6.5	5.6	6.2	7.6

E: Estimated

Outlook: India is expected to remain the fastest-growing major economy. The services sector is likely to sustain its momentum, manufacturing activity is expected to accelerate (driven by government initiatives to enhance logistics infrastructure and tax reforms).

Global Textile and Apparel Industry

Market Overview

Market Size & Growth: The global textile and apparel market is projected to reach US$ 2.9 trillion in 2025, with an expected growth to US$ 3.9 trillion by 2032, reflecting a Compound Annual Growth Rate (CAGR) of 4.3%.

Apparel Market: The global apparel market is valued at US$ 1.84 trillion in 2025, accounting for 1.65% of global GDP. It is projected to grow at a CAGR of 2.61% from 2025 to 2029, reaching US$ 2.04 trillion by 2029.

Textile Market: The broader textile market, encompassing fibers, yarns, fabrics and finished products, is valued at US$ 774.33 billion in 2025, with an expected CAGR of 3.52% to reach US$ 920.55 billion by 2030.

The Asia-Pacific region leads, driven by China (world's largest textile producer and exporter), India and Bangladesh, which benefit from low labour costs, vast production capacities and strong supply chains. The U.S. is a major consumer and raw cotton exporter, while Europe remains a key market for sustainable and luxury products. The U.S. (US$ 365.7 billion), China (US$ 313.82 billion) and India (US$ 101.39 billion) are the largest apparel markets.

The textile market has witnessed strong growth in recent years, expanding from US$ 640.43 billion in 2024 to an estimated US$ 696.16 billion in 2025, at a CAGR of 8.7%. Looking ahead, the market is expected to maintain its upward trajectory, reaching US$ 915.96 billion by 2029, with a projected CAGR of 7.1%.

Key Trends and Developments

a. Sustainability and Circular Economy

There's a growing consumer preference for sustainable and ethically produced textiles. Brands are investing in sustainable materials, recycling technologies and transparent supply chains.

b. Technological Advancements

The industry is adopting automation and AI for demand forecasting, inventory management and personalized marketing. Implementation of digital twins allows for real-time simulation and optimization of supply chain scenarios.

c. Trade Policies and Tariffs

Recent U.S. tariffs on imports from major Asian exporters, including China and Vietnam, are impacting global supply chains, leading to increased production costs and prompting brands to diversify sourcing. Brands are exploring alternative manufacturing hubs in Southeast Asia and India to mitigate tariff impacts and ensure supply chain resilience.

d. Consumer Behaviour Shifts

Economic uncertainties are driving consumers towards value shopping, with increased interest in second hand markets and rental services. There's a trend towards minimalist and timeless fashion choices, reflecting a shift from fast fashion to more sustainable consumption patterns.

e. Relocation of Production

Rising labour costs in China are pushing apparel manufacturing to countries like Bangladesh, Vietnam and emerging hubs in Africa, the Middle East and Latin America, driven by lower costs and proximity to consumer markets.

f. Political instability

Political instability in apparel-producing countries (e.g., Bangladesh) and the potential expiration of trade agreements like AGOA in 2025 could complicate sourcing.

Indian Textile and Apparel Sector

The textile and apparel industry is one of the largest contributors to India's economy, providing employment to millions and generating substantial foreign exchange earnings. With strong policy support, infrastructure development and a skilled workforce, India has emerged as a preferred investment destination in the global textile sector.

The textile and apparel industry contributes 2.3% to India's GDP, 13% to industrial production and 12% to exports. It is also the second largest employment generator, after agriculture, with over 45 million people employed directly. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

Export and Import Performance

From March 2024 to March 2025, Indian textile exports declined by 5.81%, while apparel exports rose by 3.97%. Cumulatively, textile and apparel exports dropped by 1.63% during this period.

However, for the full fiscal year (April 2024 to March 2025), textiles and apparel exports showed a robust 6.32% growth compared to the previous year, with textiles rising by 3.61% and apparel by 10.03%. However, the spun yarn segment has remained stagnant, indicating a shift in market demand towards more cost-effective and high-performance alternatives like filament yarns.

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US$ 350 billion by 2030. Moreover, India is the world's 3rd largest exporter of textiles and apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US$ 100 billion by 2030.

Despite global uncertainties, India's textile and apparel sector demonstrated resilience and adaptability, maintaining competitiveness on a global scale.

Government Support and Initiatives

The government has introduced multiple schemes to enhance textile production, boost investments and promote exports, including:

1. Production Linked Incentive (PLI) Scheme for Textiles: To increase manufacturing in man-made fibre (MMF) and technical textiles.
2. PM MITRA (Mega Integrated Textile Region and Apparel) Parks: To develop world-class industrial infrastructure for textile manufacturing. A total of 7 parks have been established in states of Gujarat,

Maharashtra, Madhya Pradesh, Tamil Nadu, Karnataka, Uttar Pradesh and Telangana.

3. Amended Technology Upgradation Fund Scheme (ATUFS): To incentivise credit flow for benchmark credit linked technology upgradation.

4. Samarth (Scheme for Capacity Building in Textile Sector): To provide skill training to workers in the textile industry, in partnership with the Ministry of Skill Development & Entrepreneurship.

5. Textile Cluster Development Scheme (TCDS): To create an integrated workspace and linkages-based ecosystem for existing as well as potential textile units/clusters to make them operationally and financially viable.

6. National Technical Textiles Mission (NTTM): To boost Technical Textiles in the country.

7. The Union Budget announced an outlay of Rs. 5,272 crore for the Ministry of Textiles for 2025-26. This is an increase of 19% over budget estimates of 2024-25 (Rs. 4,417.03 crore).

8. Bharat Tex 2025, India's largest global textile event, was successfully organized from 14th to 17th February, 2025, at Bharat Mandapam, New Delhi. Bharat Tex 2025 served as a platform to accelerate the government's "Farm to Fibre, Fabric, Fashion and Foreign Markets" vision. The event demonstrated India's leadership in the textile sector and its commitment to innovation, sustainability and global collaboration.

Outlook for India

The Indian textile, yarn and apparel industry is a significant economic force, facing both challenges and opportunities. Currently, the industry is grappling with issues like higher production costs, a fragmented supply chain and complex export procedures compared to competitors like Vietnam and China. However, there are also promising opportunities for growth, particularly in the technical textiles and man-made fibre sectors, driven by government policies, technological advancements and increasing global demand.

HOME TEXTILES

The Home furnishings business (a discretionary spend product) experienced a globally subdued market environment due to geopolitical tensions, including war conditions and an overall economic slowdown in Europe and UK. The year also marked an election year in multiple countries across the world, including the prominent ones such as US and UK, we do business with wherein most wholesalers/converters (our major customers) held off new introduction in anticipation of the change in trade policies.

Most markets demonstrated price sensitivity which potentially was to facilitate value price point offerings to encourage customers to buy. With the increase in container costs and limited availability, the inventory levels with manufacturers continued to increase as the customers waited to consolidate goods longer than usual.

Chinese manufacturers and traders and some European importers opened warehouses in Dubai and Abu Dhabi to offer quick ship low inventory module to customers. Dubai has been their gateway to enter Russia and Africa since most wholesalers from Dubai sell into Russia and Africa.

In FY25-26 amidst the US tariff uncertainties, Indian manufacturers in textile space are in a reasonably favourable place with resourcing opportunities coming their way. While the demand may be impacted in short term at the retail in US, the price adjustments will happen organically over the next few months.

Indian home textiles industry overview

The Indian home textile market encompasses the production, distribution, and sale of various textile products designed for household use, it includes curtains, towels, bedding and other decorative fabrics. The Indian home textile market is valued at an estimated US$ 10.54 billion in 2025 and is projected to grow to US$ 16.86 billion by 2030, registering a CAGR of 9.84% during the 2025-2030 forecast period.

The Indian home textile industry is projected to achieve a revenue growth of 8-10%, with operating margins anticipated to range between 14-15%. The Indian home textile industry derives 70-75% of its revenue from exports, the United States alone accounts for 60% and the remaining 25-30% comes from the domestic market. In India, the home textile industry, comprising six major listed companies accounting for about 65% of the domestic market, is expected to grow by 8-10% in FY 25, with operating margins remaining between 14-15%. This growth will be driven by rising per capita income, urbanization, booming real estate sector and increased consumer awareness for hygiene. After facing setbacks in FY23, the industry is on a recovery path, evident from FY24 performance.

(Source: Custommarketinginsights, Wrightresearch.in, Textile insights, Mordorintelligence)

SWOT analysis

Strengths

Basic raw materials: India's textile industry benefits from strong self-sufficiency in raw materials, especially natural fibres, making it the world's third-largest cotton producer. What sets India apart is its ability to produce and process a diverse range of fibres, reinforcing its competitive edge in the global market.

Labour: The success of India's apparel and textile industry has long been driven by its affordable labour force and strong entrepreneurial expertise.

Adaptability: India's garment industry, primarily composed of small-scale manufacturers, offers flexibility in managing specialized and smaller orders. The country is rich in resources such as jute, cotton, silk, cotton yarn, and man-made fibres, strengthening its position in textile production. The Indian textile and garment sector is highly self-sufficient, encompassing the entire value chain from raw material procurement to the production of finished goods.

Weaknesses

Spinning sector: The spinning industry must embrace new technologies to overcome its lack of modernization and enhance efficiency.

Weaving sector: India has a relatively limited number of shuttle-less looms.

Fabrics processing: The processing sector is the weakest link in India's textile value chain, limiting the country's competitiveness in export markets.

Deficient infrastructure: High electricity costs and long export lead times are hindering India's export competitiveness.

Low labour productivity: Productivity levels in India for manufacturing various types of clothing are significantly lower.

Opportunities

Market entry via bilateral negotiations: Trade within regional blocs is growing due to bilateral agreements among participating nations.

The possibility of high-value items: India has the potential to enhance its Unit Value Realization (UVR) by advancing up the value chain, manufacturing value-added products and continuously expanding its portfolio of technologically advanced goods.

Threats

Decline in the fashion cycle: The rise in the number of fashion seasons per year has shortened the industry's product cycle.

Formation of trading blocks: The global trade landscape has shifted due to trading blocs like NAFTA and SAPTA. Without bilateral agreements, Indian exports could face significant challenges.

Phasing out of quotas: India would need to open its protected local market to global competition, potentially impacting the domestic industry.

Company review

Sutlej Textiles and Industries Limited stands as one of India's largest integrated textile manufacturing companies, encompassing the entire value chain from yarn production to home textiles. A flagship within the multi-business conglomerate established by the late Dr. K. K. Birla, the Company operates manufacturing units in Rajasthan, Jammu and Kashmir, Himachal Pradesh and Gujarat. By the close of FY 2024-25, it boasts an aggregate spinning capacity of approximately 4.16 lakh spindles. The Company specializes in producing synthetic, natural and blended yarns, a diverse range of spun yarns, home textile furnishings and polyester staple fibre derived from recycling PET bottles. It holds a significant position as one of India's largest manufacturers of spun-dyed yarn and value-added mélange yarn.

Key ratios

Particulars	FY 25	FY 24
Debt-equity ratio	0.97	0.84
Debtors' turnover (days)	49	48
Inventory turnover (days)	121	108
Debtors' turnover	7.49	7.60
Inventory turnover	3.02	3.38
Interest coverage ratio (x)	1.11	-0.08
Current ratio (x)	1.19	1.25
EBIDTA margin (%)	2.58	-0.20
Net Profit margin (%)	-3.19	-5.04
Return on Net Worth (%)	-9.42	-13.79

During the year, the Company has taken multiple initiatives to optimise cost and products, which has led to improvement in operational results. The Company has generated positive EBITDA and Cash Profit compared to negative EBITDA and Cash loss in FY24. Accordingly, Interest Coverage Ratio, EBITDA Margin, Net Profit Margin, Return on Net Worth ratios have improved compared to that of FY23-24.

The Company's key ratios for FY 2024-25 reflect the challenging global and domestic economic environment. Although inflation eased compared to the previous year, the financial performance was impacted by high interest rates, slower growth in major economies and geopolitical tensions (including the Russia-Ukraine conflict, Israel-Hamas crisis and Red Sea disruptions).

Overall, while the Company's financial ratios indicate partial operational improvement, profitability and returns remained under pressure, reflecting the continued impact of external challenges and cost pressures.

Risk management

The Company's effective risk management approach is driven by the expertise and proactive involvement of its management team. The risk management committee plays a crucial role in promptly identifying and mitigating potential risks. Recognizing risk as an inherent aspect of business, the Company remains committed to implementing proactive and efficient risk management strategies.

Quality risk: The business's performance may face challenges due to subpar product quality and inefficiencies in manufacturing processes.

Mitigation: The Company ensures optimal efficiency across its manufacturing facilities by making substantial investments in cutting-edge technologies while upholding the highest quality standards.

Raw material risk: Fluctuations in raw material costs could have an adverse impact on the business.

Mitigation: The Company monitors the market for raw material procurement and implements proactive strategies to mitigate the impact of price fluctuations.

Trend risk: The Company's growth may be constrained if it fails to adapt to changing consumer preferences.

Mitigation: Demonstrating a strong commitment to technological advancement and market relevance, the Company continues to invest in product development and innovation. In FY 2024-25, 42% of spindle capacity was allocated to the production of value added yarn.

Competition risk: The entry of new competitors may impact the Company's profitability.

Mitigation: By exporting to around 64 countries and serving customers across India, the Company minimizes potential risks through ongoing product innovation, strong brand recognition and efficient operations.

Customer attrition risk: Customer retention is crucial, as it directly impacts the Company's revenue and profitability.

Mitigation: As a leading textile solutions provider, the Company consistently innovates by offering yarns such as cotton blended dyed yarn, cotton mélange and specialty blends. In FY 2024-25, total yarn sales reached 1,01,183 metric tonnes, reflecting its dedication to meeting evolving market demands.

Internal control systems and adequacy

The Company has established comprehensive internal control systems and processes designed to align with its unique business operations and complexities. By implementing strong policies and procedures, it ensures business integrity, asset protection, accurate financial reporting and fraud prevention. These systems undergo regular evaluations to enhance their effectiveness and drive continuous improvement.

Human resources

The Company values its dedicated and motivated employees as its greatest asset. It maintains a healthy work environment, offers competitive compensation and acknowledges employee contributions through a structured reward and recognition program. To support professional growth, the Company encourages employees to participate in voluntary projects beyond their core responsibilities, promoting creativity and continuous learning. As of 31st March, 2025, the Company had a workforce of 15,166.

Annexure-II

Conservation of Energy

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014.

1) Energy Conservation measures taken:

Conservation of energy is an essential step towards overcoming energy crisis, environmental degradation and global competitiveness.

The Company is giving due importance to conservation of energy and makes continuous efforts to conserve energy by effecting process and machinery modifications, implementation of technological advancements, development of newer methods, energy audit, proper and timely maintenance and waste heat recovery, etc., amongst others. These measures lead to savings in terms of energy, money and time.

Besides continuing the measures taken in earlier years, following additional steps were taken during the year 2024 - 25 with a view to reduce cost of energy and consequently, the cost of production:

A. Spinning

a) Installed :

i. 21 energy saving motors at a capital cost of Rs. 12.99 lakhs resulting in saving 286 Kwh/day and Rs. 7.78 lakhs per annum.

ii. AC drive with transducer on suction fan of ring frame LR/6 4.5 KW (10 machines) at a capital cost of Rs. 8.00 lakhs resulting in saving 207 Kwh/day and Rs. 3.61 lakhs per annum.

iii. PPPPU unit of condensate of electrical pump at a capital cost of Rs. 2.54 lakhs resulting in saving 125 Kwh/day and Rs. 2.90 lakhs per annum.

iv. Power capacitor without any cost resulting in saving 17 Kwh/day and Rs. 0.46 lakhs per annum.

b) Optimized / Converted :

i. Reduction of compressed air leakage at a capital cost of Rs. 53.57 lakhs resulting in saving 11,350 Kwh/day and Rs. 193.36 lakhs per annum.

ii. Frequency of return air fan of H. Plant without cost resulting in saving 192 Kwh/day and Rs. 5.22 lakhs per annum.

iii. Undertook energy audit at a capital cost of Rs. 6.50 lakhs resulting in saving 613 Kwh/day and Rs. 9.23 lakhs per annum.

iv. Repaired leakage and carried out the necessary repairs and changes without any cost resulting in saving 520 Kwh/day and Rs. 9.10 lakhs per annum.

v. Frequency of WCS was reduced and kept pascal between 850 - 900 which resulted in energy saving by running motors frequency between 35 to 48 hz. without any cost leading to saving 460 Kwh/day and Rs. 8.06 lakhs per annum.

vi. PDC TFO 2 section and auto coner 3 sections dismantled for sampling purpose without any cost which resulted in saving 88 Kwh/day and Rs. 1.54 lakhs per annum.

c) Replaced :

i. Old air compressor 1070 CFM capacity with new energy efficient compressor at a capital cost of Rs. 41.31 lakhs resulting in saving 910 Kwh/day and Rs. 13.70 lakhs per annum.

ii. 58 low efficiency ceiling fans with energy saving ceiling fans at a capital cost of Rs. 1.33 lakhs resulting in saving 67 Kwh/day and Rs. 1.20 lakhs per annum.

Various other measures taken in earlier years are continuing.

B. Home Textiles

i. Undertook audit at a capital cost of Rs. 646.86 lakhs which is expected to result in saving 15 MT of Coal/day and 60 KL of condensate water per day and Rs. 479.30 lakhs per annum.

ii. Installed new PPPPU pump with 900 Kg/Hr capacity at a capital cost of Rs. 1.80 lakhs resulting in saving of 5 KLD/day hot water and Rs. 1.31 lakhs per annum.

FORM – A

(A) Power and Fuel Consumption:

Particulars	2024-25	2023-24
1. Electricity:		
(a) Purchased:		
Units (in lakhs)	4,510.45	4,371.80
Total Cost (Rs. in lakhs)	25,712.86	24,170.94
Rate/Unit (Rs.)	5.70	5.53
(b) Own Generation:		
(i) Through Diesel Generators		
Units (in lakhs)	4.72	5.88
Units per litre of Diesel Oil (Kwh/Ltr.)	3.39	3.47
Cost/Unit (Rs.)	25.34	24.05
(ii) Through Furnace Oil Generators		
Units (in lakhs)	-	0.00
Units per litre of Furnace Oil	-	2.10
Cost/Unit (Rs.)	-	20.35
(iii) Through Thermal Power Plant		
Units (in lakhs)	-	-
Units per MT of Coal (including lignite)	-	-
Cost/Unit (Rs.)	-	-
(iv) Through Solar Power Plant		
Units (in lakhs)	38.62	38.65
Total Cost (Rs. in lakhs)	28.64	28.64
Cost/Unit (Rs.)	0.74	0.74
2. Coal:		
(a) Steam Coal		
Quantity (Tons)	26,847.23	23,256.12
Total Cost (Rs. in lakhs)	1,844.78	2,116.55
Average Rate (Rs.)/Ton	6,871.40	9,101.05
(b) Wooden Chips		
Quantity (Tons)	86.46	3,526.13
Total Cost (Rs. in lakhs)	4.35	222.62
Average Rate (Rs.)/Ton	5,031.46	6,313.47
(c) Pet Coke		
Quantity (Tons)	16,802.03	15,612.65
Total Cost (Rs. in lakhs)	2,540.70	2,711.46
Average Rate (Rs.)/Ton	15,121.41	17,367.06
3. Furnace Oil:		
Quantity (Kilo Litres)	-	0.85
Total Cost (Rs. in lakhs)	-	0.63
Average Rate (Rs. per Kilo Litre)	-	73,844.71
4. HSD Oil:		
Quantity (Kilo Litres)	145.02	176.35
Total Cost (Rs. in lakhs)	124.92	148.05
Average Rate (Rs. per Kilo Litre)	86,142.31	83,953.79

(B) Consumption per unit of production:

Particulars	2024-25	2023-24
Production :		
Electricity per Ton of Yarn Production (Units) @	3,007	2,953
Electricity per Ton of Knitting Fabric Production (Units) €	194	233
Coal per Ton of Yarn Production (Tons) #	0.373	0.394
Pet Coke per Ton of Yarn Production (Tons) #	0.140	0.132
Electricity per thousand metres of Processed fabrics (units) €	556	501
Electricity per thousand metres of Home Furnishings (units) $	1,337	1,375
Coal per thousand metres of processed fabrics (Tons)	0.99	0.82

@ depends on count, ply, dyed or grey, etc.

depends on quantum of dying.

€ depends on weight/meter of fabrics.

$ depends on picks/metre.

2. Energy Conservation plan for 2025-26

A. Spinning

Following measures are contemplated to save energy consumption during the year 2025-26:

Install :

Ground Mounted Solar Plant with capacity of 4,867 Kwp; APFC Panel with Harmonic Filter; 21 VFD; 1500 KVA Transformer in old Dye House; 4 Water Supply Pumps in new Dye House, Boiler and H. Plant; and Invertors all at a capital cost around of Rs. 1,357 lakhs, which is expected to result in saving of about 21,922 Kwh/day and Rs. 596 lakhs per annum.

Optimize / Convert :

Reduce and arrest compressed air leakages; re-routing steam and condensate line; and provide VFD on Pneuma fan motors of 1,104 spl KTTM RF on 8 machines all at a capital cost of around Rs. 98 lakhs, which is expected to result in saving of about 2,363 Kwh/day and Rs. 97 lakhs per annum.

Replace :

2 old air compressor 1,085 CFM capacity each with new energy efficient Kaiser make air compressors; 19 main motors of TFO with energy efficient IE4 motors; old pump with new energy efficient pump; 30 low efficiency Ceiling Fans with energy saving Ceiling Fans; and old Aluminum Fans with aerodynamic design energy efficient EFRP Fans all at a capital cost of around Rs. 113 lakhs, which is expected to result in saving of about 2,285 Kwh/day and Rs. 36 lakhs per annum.

B. Home Textiles

Following measures are contemplated to save energy consumption during the year 2025-26:

Install :

Pressure based automation system for fresh and mix water supply at a capital cost of Rs. 0.20 lakhs, which is expected to result in saving 792 Kwh/day and Rs. 2.6 lakhs per annum.

Optimize / Convert :

Automate second stack of VDR machine by controlling condensate water temperature; and optimization of compressor with VFD which is expected to result in saving of about 1,825 MT Steam/annum and 640 Kwh/day and Rs. 44.70 lakhs per annum.

Replace :

TMT machine compressor with energy efficient compressor; and ID fan motor of 12 tph boiler with IE4 motor all at a capital cost of Rs. 9.40 lakhs, which is expected to result in saving of about 79,644 Kwh/day and Rs. 21 lakhs per annum.

3. Impact of measures at (A) & (B) for reduction of energy consumption and consequent impact as the cost of production of goods:

The estimated savings are mentioned against each item (A) & (B).

FORM – B

Disclosure of particulars with respect to technology absorption (to the extent possible)

1. Technology Absorption

1) Research and Development (R&D)

A. Specific area in which R&D is carried out by the Company

a) **Spinning**

Synthetics: There are well equipped labs for testing of the raw materials, in-process materials as well as final products (finished goods), dyes & chemicals and all kind of packing materials, etc. in all the units of the Company. We also have dedicated full-fledged product development teams for continuously developing high value added products as per the requirements of various customers; Our NPD (New Product Development) team is engaged in new development activities along with development of various innovative and sustainable products depending upon the market and global trends by using various sustainable fibres and sustainable processes by consuming less water and power. Our R & D lab has latest generation and state of the art technological equipment like Uster - 6 Evenness Tester, Uster Tenso Rapid 5, Uster Quantum Classimat - Yarn Fault Classifying System, Online Monitoring System, etc. (all from Uster), Auto Dispenser system, Beaker Dyeing machines, etc. which help in fulfilling stringent market requirements as well as achieving utmost customer satisfaction. Recently, the Company has been accredited with the prestigious IMS (Integrated Management System) Certification consisting of ISO 9001-2015 (QMS), ISO-14001-2015 (EMS) and ISO-45001/2018 (OHSAS) and BIS Certification. Apart from these, the Company has 14 different certifications comprising of Usterised Lab, Oeko-Tex, FSC, SVCOC, GOTS/GRS/OCS/RCS, Fair Trade and SA 8000 Certifications to name a few from various certification/accreditation bodies; major emphasis is always given on continual improvement and development of new innovative and sustainable products for achieving greatest customer satisfaction which is the core strength and success of the organization.

Cotton: The Company has all the facilities for in-house testing with latest well-equipped lab for testing of raw materials to finished products, along with dyestuff and packing material. The Company is more focused on value-added products; our NPD team also invests in new development with innovation, occasionally based on market trends and their own skills. We have separate cells for sample product development to fulfill customer requirements on time and to meet their satisfaction level. Our R&D lab has the latest technological equipment, like Uster 6-Evenness Tester, HVI 1000, Tenso Jet-Advance Fibre Information System, i.e., AFISPRO 2, Advance Fibre Information System (AFIS), UTR 4, Classimat-5 Yarn Fault Classifying System, Online Monitoring System, Lab Expert System (all from Uster), Premier iQ2 and Premier Tensomaxx 7000. The Company has also acquired new technology for core spun facility for increasing new product basket. Furthermore, the integration of auto dispensers and beaker dyeing machines exemplifies a forward-thinking approach that prioritizes efficiency and precision. The Company has IMS certification, which includes ISO 9001-2015, ISO 14001-2015, and ISO 45001-2018; its reputation for excellence in operational standards continues to solidify. Additionally, the Company's 14 other certifications including Oeko-Tex, GOTS/GRS/OCS/RCS, Fair Trade, and SA 8000 - reflect a robust commitment to sustainability and ethical practices in the industry. The organization's commitment to quality and innovation is clearly demonstrated through its comprehensive range of certifications and advanced technologies. Wherever required, the Company will install Uster Tenso Jet-4 and Yarn Friction Tester to maintain superior product quality. The Company has continued to launch shade cards of Suiting and Shirting containing several shades based on different themes this year too.

b) **Home Textiles**

The Company has maintained well equipped, most modern and state of the art quality testing equipment like latest generation Advance Fibre Information System, Uster Quantun 4, Premier IQ2 and Premier Tensomaxx 7000 along with other instruments managed by experienced and qualified team.

B) Benefits derived as a result of above R&D

These measures have helped in production of value added new products, reduction of cost, etc. Besides various studies and experiments are undertaken to save energy, improve productivity and quality, control costs, etc.

The Company has installed machines for developing small samples of yarn to expedite fabric development and to capture market share.

These measures have helped in the production of value-added new products, reduction of costs, etc. increased range of shade and products for becoming the first choice of customers and having a competitive edge over other competitors in the same field and increased brand image; R&D inputs also help in assuring quality status and corrective steps to be taken for maintaining consistency and continual improvement. Besides various studies and experiments are undertaken from time to time to save energy, improve productivity and quality, control costs and fulfill the requirements of domestic and export customers. Collectively, these elements underscore the organization's position as a leader dedicated not only to quality but also to responsible innovation in the textile sector.

C) Future plan for action

Synthetics: The Company intends to install latest generation Uster Quantum Clearer 4 (EYC) phase wise for all the Auto Coners of Synthetic section along with FL-FD channels (Contamination Clearer) for better monitoring and clearing of Classimat Objectionable Faults and achieving improved yarn quality; Latest Hi Tech TFO and Cheese Winding machines will be installed for achieving substantial savings of energy and improved quality. The Company will also go for one more Uster Quantum Classimat Tester for catering to the on growing requirements of the market for fault free yarns. Also older generation Uster Evenness Tester will be replaced by new generation UT-6 Tester. Simultaneously the Company is also planning for a latest generation Knitting Machine as well as Miniature Loom(s) for ensuring better infrastructure in product development for enhanced penetration of the market.

Cotton: The Company is planning to replace old version winding clearer and Auto Coner with new Uster Quantum-4 clearer for better quality of yarn. We also plan to upgrade the carding section. Double yarn capacity will be increased by adding new TFO with upgraded cheese winding. To enhance our product development cell, we are planning for a miniature loom for cotton development to cater to the weaving sector. We will also increase the capacity of compact yarn in cotton production.

2) Expenditure incurred towards R&D

(Rs. in lakhs)

S. No.	Particulars	2024-25	2023-24
a)	Capital	20.32	1229.89
b)	Recurring	700.31	661.64
c)	Total	720.63	1891.53
d)	Total R&D Expenditure as a percentage of Total Turnover	0.282%	0.718%

2. Technology Absorption, Adaptation and Innovation

A. Spinning

The Company is having latest state of the art plant and machinery and has the policy of continuous modernization and up-gradation of machines. We have installed latest technology plant and machinery by replacing old technology machines to achieve higher productivity, efficiency and better quality viz. Mixing Bale Opener Model LB3/2, Hydrant Pipe Line, Draw Frame LBD3, Electric Motor POS-01 4028.1819.12/0, Conversion of MCCB 630 Amp, LMW Suction Compact 720 LR9AX, Speed Frame LF 4200 upgradation, Lycra Winder machine of 32 Spindle, Assembly Cheese Winding Versa A-72 Machines for improving productivity and quality of our product, the following capital expenditure has been incurred during the year :

a) Incurred Rs. 3,027 lakhs on replacement of old technology, plant machinery and equipment.

b) Incurred Rs. 1,573 lakhs on addition and modifications of existing plant and machinery.

c) Incurred Rs. 515 lakhs on purchase of machines and equipment for debottlenecking.

B. Home Textiles

The Company is having latest state of the art plant and machinery and plans for continuous modernization and upgradation of machines. For technology absorption, adoption and innovation, the following capital expenditure has been incurred during the year:

a) Incurred Rs. 495.55 lakhs on replacement of old technology, machinery and equipment.

b) Incurred Rs. 75.95 lakhs on addition and modifications of existing plant and machinery.

c) Incurred Rs. 67.07 lakhs on purchase of machines and equipment for debottlenecking.

3. Foreign Exchange Earnings & Outgo

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

   The Company has taken effective steps for exports. During the year, the Company achieved satisfactory export performances. The Company is conscious of the challenges in export market and will continue to take steps towards developing exports and will concentrate on products having higher per unit realization.

2. Total foreign exchange earned and used

(Rs. in crore)

S. No.	Particulars	2024-25	2023-24
i)	Foreign Exchange Earned	891.45	1015.11
ii)	Foreign Exchange Used	39.93	52.81

ANNEXURE-III

Report on Corporate Governance

A. CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is a systematic process, driven by ethical conduct of the business and affairs of an organization aimed at promoting sustainable business and enhancing shareholder value in the long term. Corporate governance therefore, in essence, is a referral paradigm, comprising a mechanism to benchmark company's business and affairs to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a company meets its obligations with the objective to optimize shareholder value and fulfill its responsibilities to the stakeholder community, comprising of customers, employees, shareholders, government and other societal segments.

Sutlej's Governance philosophy is based on trusteeship and for promoting and maintaining integrity, transparency and accountability, across all business practices. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures are aimed at building trust of all stakeholders, such as shareholders, employees, customers, suppliers, financiers, government and the community. This philosophy is built upon a rich legacy of fair, transparent and effective governance, and led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The Company believes that a sound governance discipline also enables the Board to direct and control the affairs of the Company in an effective manner and maximize stakeholder value, including the society at large. We at Sutlej believe that this is an ongoing journey for sustainable value creation for all stakeholders and we continuously endeavor to improve upon our practices in line with the changing demands of the business. Sutlej adopts innovative approaches for leveraging all its resources; and encourages a spirit of conversion of opportunities into achievements. The Company's Code of Business Conduct and Code for Prevention of Insider Trading are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances. The Company's governance structures and systems are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and strategic thought process and are the foundation which nurtures ramping up of healthy and sustainable growth through empowerment and motivation.

Keeping in view the Company's size, reach, complexity of operations and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domain;
- Timely and adequate flow of information to the members of the Board and its Committees for meaningful and focused discussion at the meetings to enable them discharge their fiduciary duties;
- Strategic supervision, monitoring and guidance by the Board of Directors which is made up of appropriate size, experience and commitment to discharge their responsibilities;
- Independent verification of Company's financial reporting from time to time and on quarterly basis;
- Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders and equitable and fair treatment to all the stakeholders (including employees, customers, vendors and investors);
- Sound systems and processes for internal control and risk management framework to mitigate perceived risk;
- Compliance with applicable laws, rules, regulations and guidelines with transparency and defined accountability; and
- Proper business conduct by the Board members, senior management and employees.

In line with this philosophy, the Company and its Board of Directors continuously strive for excellence through adoption of best governance and disclosure practices. The Board of Directors continuously strive to play an active role in fulfilling its fiduciary obligation to shareholders by efficiently overseeing management functions to ensure their effectiveness in delivering shareholder value and societal expectations, with ethical and responsible business conduct. The governance framework ensures its effectiveness through an efficient system of timely disclosures and transparent business practices.

Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations, 2015), the details of which for the financial year ended 31st March, 2025 is as set out hereunder:

B. BOARD OF DIRECTORS

The Board of Directors which is a body formed to serve and protect the overall interest of all the stakeholders, provides and evaluates the strategic direction of the Company; formulates and reviews management policies and ensures their effectiveness. The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large.

Composition of the Board

The Company has a balanced and diverse Board which includes independent professionals and conforms to the provisions of the Companies Act, 2013 (the Act) and the Listing Regulations, 2015. Your Company's Board represents an optimum combination of experience and expertise in diverse areas such as banking, finance, law, general management, administration and entrepreneurship and comprises of Executive and Non-Executive Directors, including independent professionals, who play a crucial role in Board processes and provide independent judgment on issues of strategy and performance. As on 31st March, 2025, the Company's Board of Directors comprised of eight Directors; five of whom were Independent Directors (including Woman Directors); one Non-Executive Director; and two Executive Directors viz., Executive Chairman and Wholetime Director. The Non-Executive Directors account for 75 per cent of the Board's strength as against the minimum requirement of 50 per cent as per the Listing Regulations, 2015. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of stakeholders and the Company. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company. None of the Directors are inter-se related to each other, except for Shri C. S. Nopany and Shri Arhant Vikram Nopany, with Shri Arhant Vikram Nopany being the son of Shri C. S. Nopany.

None of the Directors on the Company's Board are members of more than 10 committees and chairpersons of more than 5 committees (being, Audit Committee and Stakeholders' Relationship Committee) across all the companies, in which he / she is a Director. All the Directors have made necessary disclosures regarding committee positions held by them in other companies and do not hold the office of Director in more than 10 public companies as on 31st March, 2025. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations, 2015.

DETAILS OF DIRECTORSHIPS / COMMITTEE POSITIONS / SHARES HELD

The composition of the Board of Directors, number of other Directorships / Board level committee positions held by them in other Indian public companies as on 31st March, 2025, number of shares held in the Company are as follows:

Name of Director	Category	Number of shares held in Sutlej	Names of other public companies (including listed entities#) in which directorships are held [other than Sutlej]	* Number of other companies' Board Committee(s)		Skills/Expertise/ Competencies identified by the Board
				Chair-person	Member	
Mr. C. S. Nopany (DIN: 00014587)	ED / PG	1,10,000	1. # Chambal Fertilizers & Chemicals Limited - Non-Executive Director	1	1	Leadership experience of leading operations of large organizations

Name of Director	Category	Number of shares held in Sutlej	Names of other public companies (including listed entities#) in which directorships are held [other than Sutlej]	* Number of other companies' Board Committee(s)		Skills/Expertise/ Competencies identified by the Board
				Chair-person	Member	
			2. # SIL Investments Limited - Non-Executive Chairman 3. # New India Retailing & Investment Limited - Non-Executive Chairman 4. #Magadh Sugar & Energy Limited - Non-Executive Chairman 5. # Avadh Sugar & Energy Limited - Non-Executive Co-Chairman 6. Yashovardhan Investment & Trading Company Limited - Director 7. Ronson Traders Limited - Non-Executive Director 8. Morton Foods Limited - Director			with deep understanding of complex business processes, regulatory and governance environment, risk management and ability to visualize and manage change.
Mrs. Sonu H. Bhasin (DIN: 02872234)	I	Nil	1. # NIIT Limited - Independent Director 2. # Triveni Turbine Limited - Independent Director 3. #Berger Paints India Limited - Independent Director 4. # Multi Commodity Exchange of India Limited - Independent Director 5. Max Life Pension Fund Management Limited - Independent Director 6. Mahindra First Choice Wheels Limited - Independent Director 7. Travel Food Services Limited - Nominee Director 8. Nippon Life India Asset Management Limited - Additional Independent Director	2	6	Financial Management and Accounting. Business Strategies and Governance.
**Mr. Rohit R. Dhoot (DIN: 00016856)	I	Nil	1. # Dhoot Industrial Finance Limited - Managing Director 2. #Hindustan Oil Exploration Company Limited – Non - Executive Non - Independent Director 3. # The Indian Hume Pipe Company Limited - Independent Director 4. # Technocraft Industries (India) Limited - Additional Independent Director 5. Aakarshak Synthetics Limited - Director 6. Young Buzz India Limited - Director	0	4	Financial Management and Accounting. Business Strategies and Innovations.
**Mr. Ashok Mittal (DIN: 00016275)	I	Nil	Nil	0	0	Financial Management, Banking and Accounting. Business Strategies and Innovations.

Name of Director	Category	Number of shares held in Sutlej	Names of other public companies (including listed entities#) in which directorships are held [other than Sutlej]	* Number of other companies' Board Committee(s)		Skills/Expertise/ Competencies identified by the Board
				Chair-person	Member	
€ Mr. Sameer Ambarish Kaji (DIN: 00172458)	I	Nil	1. #Nuvama Wealth Management Limited - Independent Director 2. Nuvama Wealth and Investment Limited - Director 3. Edelweiss Asset Reconstruction Company Limited - Director 4. Nuvama Custodial Services Limited - Director 5. ECL Finance Limited - Director 6. Manjushree Technopack Limited - Director	1	4	Entrepreneurship and Finance.
€ Ms. Deepa Kapoor (DIN: 06828033)	I	Nil	Nil	0	0	Entrepreneurship and Innovation.
$ Mr. Arhant Vikram Nopany (DIN: 07863206)	NED	Nil	1. Yashovardhan Investment & Trading Company Limited - Director	0	1	Accounting, Entrepreneurship and Innovation.
## Mr. Ashishkumar Srivastava (DIN: 06527942)	ED	Nil	Nil	0	0	Leadership experience of leading operations of large organizations, regulatory and governance environment & risk management. Entrepreneurship, Business Strategies and Innovations.

ED – Executive Director; PG – Promoter Group; I – Independent; NED – Non Executive Director

Notes:

i. The directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, companies under Section 8 of the Act and private limited companies, which are not the subsidiaries of public limited companies.

ii. *Represents membership / chairmanship of only two Committees viz. Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of Listing Regulations, 2015.

iii. As on 31st March, 2025, none of the Directors of the Company were related to each other, except for Shri C. S. Nopany and Shri Arhant Vikram Nopany, with Shri Arhant Vikram Nopany being the son of Shri C. S. Nopany.

iv. **Mr. Rohit R. Dhoot and Mr. Ashok Mittal were appointed as Independent Directors of the Company w.e.f. 30th July, 2024.

v. € Mr. Sameer Ambarish Kaji and Ms. Deepa Kapoor were appointed as Additional Directors (Independent) of the Company w.e.f. 09th May, 2024 and their appointment was regularized in the AGM held on 30th July, 2024.

vi. $Mr. Arhant Vikram Nopany was appointed as Additional Director (Non-Executive) w.e.f. 09th May, 2024 and his appointment was regularized as Non-Executive Director of the Company w.e.f. 30th July, 2024.

vii. ##Mr. Ashishkumar Srivastava was appointed as Additional Director (Wholetime Director) of the Company w.e.f. 24th March, 2025.

Except Mr. C. S. Nopany, none of the Directors of the Company hold any shares of the Company.

BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members possess the required qualification, integrity, expertise and experience for the position. They also possess deep expertise and insights in sectors / areas relevant to the Company and ability to contribute to Company's growth. The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business requirements.

List of Core Skills / Expertise / Competencies of the Directors of the Company

1. Strategy planning and execution;
2. Management and leadership;
3. Functional and managerial experience;
4. Legal and risk management;
5. Corporate governance systems and practices; and
6. Finance, banking and accounts.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Regulation 16(b) of the Listing Regulations, 2015 and Section 149(6) of the Act. Due to promulgation of Section 149 of the Act and Regulation 25 of the Listing Regulations, 2015, Independent Directors can be appointed for 2 fixed terms of maximum 5 years and they shall not be liable to retire by rotation. Therefore, the Company has appointed / re-appointed all the existing Independent Directors for a fixed term of five consecutive years in compliance with the aforesaid provisions. The Company has issued formal letters of appointment to all the Independent Directors as prescribed under the provisions of the Act and the terms and conditions of their appointment have been uploaded on the website of the Company.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Section 149(6) of the Act and applicable provisions of Listing Regulations, 2015 and that they are qualified to act as Independent Directors.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations, 2015 and are independent of the management.

As required under the Act, the Independent Directors held a separate meeting to assess the functioning of the Board as a whole, its Committees and to evaluate the performance of the Chairman, the Executive and Non - Executive Directors.

The maximum tenure of the Independent Directors is in compliance with the provisions of the Listing Regulations, 2015 and the Act. In accordance with the same, Mr. U. K. Khaitan (DIN: 01180359), Mr. Amit Dalal (DIN: 00297603), Mr. Rajan A. Dalal (DIN: 00546264) and Mr. Rajiv K. Podar (DIN: 00086172) completed their second term of 5 consecutive years as Independent Directors of the Company on 22nd August, 2024. As a result, they ceased to be Independent Directors w.e.f. 23rd August 2024, upon completion of their tenure. Additionally, Mr. Sameer Ambarish Kaji and Ms. Deepa Kapoor were appointed as Additional Directors (Independent) of the Company w.e.f. 09th May, 2024 and their appointment was regularized in the AGM held on 30th July, 2024.

FAMILIARIZATION OF BOARD MEMBERS

As an onboarding process, all new Directors inducted on the Board are taken through a familiarization process whereby information of the Company, its various units, products and financials is shared and explained to the Director.

The provision of an appropriate induction for the Directors and ongoing familarization initiatives for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. All new Directors inducted on the Board are introduced to the Company's culture through appropriate orientation sessions or at the meeting of Board of Directors. Presentations are shared to provide an overview of the Company's operations and to familiarize the new Directors with our operations. They are also introduced to our organization structure, our products, Board procedures, matters reserved for Board and our major risk and risk management strategy. The Independent Directors, from time to time, request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information either at the meeting of the Board of Directors or otherwise.

The induction process is designed to:

a. build an understanding of Sutlej, its businesses and the markets and regulatory environment in which it operates;

b. provide an appreciation of the role and responsibilities of the Director;

c. fully equip Directors to perform their role on the Board effectively; and

d. develop understanding of the Company's people and its key stakeholder relationships.

The Directors are also kept informed about market and sectoral trends, changes in governing laws and regulations, etc.

The details of familiarization programme is available on the website of the Company at the weblink:https://www.sutlejtextiles.com/pdf/csr/FamiliarisationProgramme-2024-25.pdf

BOARD MEETINGS AND PROCEDURE

The Board meets at least once in every quarter inter alia, to review the quarterly financial results, operations and other items on the agenda and minimum 4 pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by way of circulation, as permitted by law, which is confirmed in the subsequent Board meeting. The meetings are held as per the requirements of business; and maximum interval between any two Board meetings is within the permissible limits.

During the year under review, six Board meetings were held on 09th May, 2024, 08th August, 2024, 30th August, 2024, 08th November, 2024, 07th February, 2025 and 22nd March, 2025. The necessary quorum was present in all the Board meetings. Leave of absence was granted to the concerned Director(s) who had requested for leave of absence due to their inability to attend the respective Board meeting. The details of attendance of Directors at the Board meetings and at the last Annual General Meeting (AGM) are as under:

Name of Director	Number of Board meetings		Attendance at last AGM (through Video Conference and Other Audio Visual Means)
	Held	Attended	
Mr. C. S. Nopany	6	6	Yes
Mr. U. K. Khaitan*	6	2	Yes
Mr. Amit Dalal*	6	2	Yes
Mr. Rajan A. Dalal*	6	2	Yes
Mr. Rajiv K. Podar*	6	2	Yes
Mrs. Sonu H. Bhasin	6	5	No
Mr. Rohit Dhoot	6	4	Yes
Mr. Ashok Mittal	6	6	Yes
Mr. Sameer Kaji**	6	5	Yes
Ms. Deepa Kapoor**	6	5	Yes
Mr. Arhant Vikram Nopany***	6	5	Yes
Mr. Rajib Mukhopadhyay #	6	6	Yes
Mr. Ashishkumar Srivastava $	6	0	N.A.

i. * Mr. U. K. Khaitan, Mr. Amit Dalal, Mr. Rajan A. Dalal and Mr. Rajiv K. Podar ceased as Directors of the Company w.e.f. 23rd August, 2024 on completion of their tenure.

ii. ** Mr. Sameer Kaji and Ms. Deepa Kapoor were appointed as Independent Directors of the Company w.e.f. 09th May, 2024.

iii. *** Mr. Arhant Vikram Nopany was appointed as Non-Executive Director of the Company w.e.f. 09th May, 2024.

iv. # Mr. Rajib Mukhopadhyay ceased to be the Wholetime Director of the Company w.e.f. 23rd March, 2025.

v. $ Mr. Ashishkumar Srivastava was appointed as the Wholetime Director of the Company w.e.f. 24th March, 2025.

BOARD SUPPORT

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees except Independent Directors meeting, advises / assures the Board on compliance and governance principles and ensures appropriate recording of Minutes of the meetings.

INFORMATION TO THE BOARD

The internal guidelines for Board / Board Committee meetings facilitate the decision making process at the meetings of the Board / Committees in an informed and efficient manner. Board meetings are governed by structured agenda. The Company Secretary in consultation with the Chairman and senior management prepares the detailed agenda for the meetings. All major agenda items are backed by comprehensive background information, notes and supporting papers containing all the vital information, to enable the Board to have focused discussion at the meeting and take informed decisions.

Agenda papers and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is circulated along with agenda papers for facilitating meaningful and focused discussions at the meeting. In case of sensitive agenda matters, or where it is not practicable to attach or circulate relevant information or document as part of the agenda papers, the same are tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are taken up for discussion with the permission of the Chairman and Independent Directors. Video conferencing facilities are also made available to enable the participation of Directors at meetings of the Board / Committees. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

A detailed agenda is sent to each Director in advance of the Board meetings, covering inter alia, the required information as enumerated in Part A of Schedule II to Regulation 17(7) of the Listing Regulations, 2015. As a policy, all major decisions involving business plan, allocation and deployment of funds, investments and capital expenditure, in addition to matters which statutorily require the approval of the Board, are placed before the Board for its consideration and directions.

Inter alia, the following information, as may be applicable and required, is provided to the Board as a part of the agenda papers:

- Annual operating plans and revenue budgets
- Capital expenditure budgets
- Quarterly, half yearly and annual results of the Company
- Minutes of the Audit and other Committees of the Board
- Information relating to recruitment and remuneration of SMPs and KMPs
- Materially important legal or taxation issues
- Status of financial obligations to and by the Company
- Any significant development in human resources or industrial relations
- Details of risk exposure and steps taken by management to limit or restrain the risk
- Compliance status with any regulatory, statutory or Listing Regulations related requirements or in relation to any shareholder services
- Action taken report in respect of the decisions arising out of the previous meeting

The Board is also briefed on areas covering industry environment, project implementation, project financing and operations of the Company. Senior executives are invited to provide additional inputs at the Board meeting, as and when necessary. The members of the Board / Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

The draft minutes of each Board / Committee meetings are circulated to all Directors for their comments within 15 days of the meeting. After incorporating comments, if any, received from Directors, the Company Secretary records the minutes of each Board / Committee meeting within 30 days from conclusion of the meeting. The important decisions taken at the Board / Committee meetings are communicated to concerned departments promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.

The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any.

Separate Independent Directors' Meeting

The Independent Directors met on 22nd March, 2025 without the presence of Executive Directors or management representatives and inter alia discussed:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Evaluation / Performance Evaluation

In terms of the requirements of the Act and Listing Regulations, 2015, the Board has evaluated its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was circulated, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The completed evaluation forms were reviewed by the Nomination and Remuneration Committee, in line with Section 178(2) of the Act.

Code of Conduct and Ethics

The Company has laid down a Code of Conduct (the Code) for the entire Board of Directors and senior management to avoid conflict of interest. The Code is derived from three inter linked fundamental principles, namely: good corporate governance, good corporate citizenship and exemplary personal conduct. The Directors and senior management have affirmed compliance with the Code for the financial year 2024 - 25. A declaration to this effect signed by the Chief Executive Officer is attached and forms part of this report. The Code is available on the Company's website www.sutlejtextiles.com

There were no material, financial and commercial transactions in which the senior management had personal interest, leading to a potential conflict of interest during the year under review.

Directors and Officers Insurance ('D&O')

In line with the requirements of Regulation 25(10) of the Listing Regulations, 2015, the Company has taken D&O for all its Directors and members of the Senior Management for such quantum and for such risks as is commensurate with the size and nature of operations of the Company.

C. SUBSIDIARY COMPANIES

The Company has one wholly owned subsidiary viz. Sutlej Holdings, Inc. and a wholly owned step-down subsidiary viz. American Silk Mills, LLC. During the financial year 2024 - 25, the Audit Committee reviewed the financial statements of the subsidiary. Minutes of the Board meetings of the subsidiaries were regularly placed before the Board. The Board / Audit Committee periodically reviews the statement of all significant transactions and arrangement, if any, entered into by the subsidiaries.

D. COMMITTEES OF THE BOARD

Pursuant to Listing Regulations, 2015 and provisions of the Act, the Board of Directors have constituted six permanent Committees of Directors viz.:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee;
- Risk Management Committee; and
- Finance & Corporate Affairs Committee.

The details of these Committees are as follows:

I. AUDIT COMMITTEE

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprised of three Independent and one Non-Executive Director and is headed by Mr. Rohit R. Dhoot. The other members of the Committee are Mr. Ashok Mittal, Ms. Deepa Kapoor and Mr. Arhant Vikram Nopany.

TERMS OF REFERENCE

The terms of reference of Audit Committee are in conformity with Section 177 of the Act and Regulation 18 of the Listing Regulations, 2015. The brief terms of reference inter alia are as follows:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.
- Approve payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the quarterly and annual financial statements and auditors report thereon before submission to the Board for approval.
- Approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit, etc.

MEETINGS AND ATTENDANCE

During the year under review, the Audit Committee met four times on 08th May, 2024; 07th August, 2024; 06th November, 2024 and 06th February, 2025.

The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Rajan A. Dalal*	Chairman	Independent	2
Mr. Amit Dalal*	Member	Independent	2
Mr. Rajiv K. Podar *	Member	Independent	2
Mr. Rohit Dhoot**	Chairman	Independent	3
Mr. Ashok Mittal #	Member	Independent	3
Ms. Deepa Kapoor #	Member	Independent	3
Mr. Arhant Vikram Nopany #	Member	Non - Executive	3

i. *Mr. Rajan A. Dalal ceased as Chairman and member and Mr. Amit Dalal and Mr. Rajiv K. Podar ceased as members of the Audit Committee w.e.f. 23rd August, 2024.

ii. **Mr. Rohit Dhoot was appointed as Chairman of the Audit Committee w.e.f. 23rd August, 2024.

iii. #Mr. Ashok Mittal, Ms. Deepa Kapoor and Mr. Arhant Vikram Nopany were inducted as members of the Audit Committee w.e.f. 01st August, 2024.

The constitution of the Audit Committee meets the requirements of Section 177 of the Act. The Committee reviews various aspects of the internal audit control system and financial and risk management policies. The requirements in respect of Regulation 18 of the Listing Regulations, 2015 are also reviewed by the Committee. The management makes a presentation before the Audit Committee on the observations and recommendations of the Statutory and Internal Auditors to strengthen controls and compliance. The internal auditors and statutory auditors are invitees to the Committee meeting. The Company Secretary acts as the Secretary of the Committee.

II. STAKEHOLDER'S RELATIONSHIP COMMITTEE

COMPOSITION

The Stakeholders' Relationship Committee (SRC) constituted as a mandatory Committee of the Board comprised of three Independent Directors and one Executive Director of the Company. The Committee is headed by Mrs. Sonu Bhasin. The other members of the Committee are Mr. Sameer Kaji, Ms. Deepa Kapoor and Mr. Ashishkumar Srivastava.

TERMS OF REFERENCE

The Committee inter alia oversees the redressal of shareholder and investor complaints / requests for transmission of shares, sub-division and consolidation of share certificates, issue of duplicate share certificates, requests for dematerialization and rematerialization of shares, non-receipt of declared dividend and non-receipt of Annual Report. It also recommends measures for improvement in investor services. The Committee also keeps a close watch on the performance of MUFG Intime India Private Limited, the Registrar & Share Transfer Agent (RTA) of the Company. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensures timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company. The Company Secretary designated as Compliance Officer acts as the Secretary of the Committee. The Committee meets as often as is necessary for resolution of important matters within its mandate.

MEETINGS AND ATTENDANCE

During the year under review the Committee met thrice on 08th May, 2024; 06th August, 2024 and 06th February, 2025. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Amit Dalal*	Chairman	Independent	2
Mr. Rajiv K. Podar*	Member	Independent	1
Mrs. Sonu H. Bhasin**	Chairperson	Independent	2
Mr. Sameer Kaji***	Member	Independent	2
Mr. Rajib Mukhopadhyay #	Member	Executive	3
Ms. Deepa Kapoor #	Member	Independent	0
Mr. Ashishkumar Srivastava #	Member	Executive	0

i. * Mr. Amit Dalal and Mr. Rajiv K. Podar ceased as Chairman and member respectively of the SRC w.e.f. 23rd August, 2024.

ii. **Mrs. Sonu H. Bhasin was appointed as Chairperson of the SRC w.e.f. 23rd August, 2024.

iii. ***Mr. Sameer Kaji was inducted as member of the SRC w.e.f. 09th May, 2024.

iv. # Mr. Rajib Mukhopadhyay ceased to be a member of the SRC w.e.f. 23rd March, 2025 and Ms. Deepa Kapoor and Mr. Ashishkumar Srivastava were inducted as members of the SRC w.e.f. 24th March, 2025.

Minutes of the meeting of the Stakeholders' Relationship Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

INVESTOR COMPLAINTS RECEIVED AND RESOLVED DURING THE YEAR

During the year under review, no complaints were received by the Company from the shareholders. The average period of redressal of grievances is 7 (seven) days from the date of receipt of complaints.

III. NOMINATION AND REMUNERATION COMMITTEE

COMPOSITION

The Nomination and Remuneration Committee (NRC) of the Company comprised of two Independent Directors and one Non-Executive Director. The Committee is headed by Mr. Ashok Mittal. The other members of the Committee are Mr. Sameer Kaji and Mr. Arhant Nopany.

TERMS OF REFERENCE

The terms of reference of Nomination and Remuneration Committee are in conformity with Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015. The terms of reference are as follows:

- recommend to the Board the compensation package of the Executive Directors, Key Managerial Personnel and other senior management personnel.
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.

- formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- devise a policy on diversity of Board of Directors.
- identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- decide on whether to extend or continue the term of appointment of the Independent Directors, on the basis of the performance evaluation report of Independent Directors.

MEETINGS AND ATTENDANCE

During the year under review, the Committee met thrice on 07th May, 2024, 26th July, 2024 and 21st March, 2025. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. U. K. Khaitan*	Chairman	Independent	2
Mr. Rajan A. Dalal*	Member	Independent	2
Mr. Rajiv K. Podar*	Member	Independent	1
Mr. Ashok Mittal**	Chairman	Independent	2
Mr. Sameer Kaji**	Member	Independent	2
Mr. Arhant Vikram Nopany**	Member	Non-Executive	2

i. * Mr. U. K. Khaitan ceased as Chairman and Mr. Rajan Dalal and Mr. Rajiv K. Podar ceased as members of the NRC w.e.f. 23rd August, 2024.

ii. **Mr. Ashok Mittal, Mr. Sameer Kaji and Mr. Arhant Nopany were inducted as members of the NRC w.e.f. 09th May, 2024. Mr. Ashok Mittal was appointed as the Chairman of the NRC w.e.f. 23rd August, 2024.

Minutes of the meeting of the Nomination and Remuneration Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

COMPOSITION

The Corporate Social Responsibility Committee (CSR) comprised of four Independent Directors and is headed by Mrs. Sonu H. Bhasin. Other members of the Committee are Mr. Rohit Dhoot, Mr. Sameer Kaji and Ms. Deepa Kapoor.

TERMS OF REFERENCE

The terms of reference of the CSR Committee includes but is not limited to the following:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on CSR activities;
- formulate and recommend to the Board, an annual action plan in pursuance of CSR policy;
- monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- oversee ESG initiatives and business responsibility and sustainability reporting.

MEETINGS AND ATTENDANCE

During the year under review, the CSR Committee met twice on 08th May, 2024 and 27th December, 2024. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. U. K. Khaitan *	Chairman	Independent	1
Mr. Amit Dalal*	Member	Independent	1
Mrs. Sonu H. Bhasin **	Chairperson	Independent	2
Mr. Rohit Dhoot***	Member	Independent	1
Mr. Sameer Kaji ***	Member	Independent	1
Ms. Deepa Kapoor #	Member	Independent	1

i. *Mr. U. K. Khaitan and Mr. Amit Dalal ceased as Chairman and member respectively of the CSR Committee w.e.f. 23rd August, 2024.

ii. **Mrs. Sonu H. Bhasin was appointed as Chairperson of the CSR Committee w.e.f. 23rd August, 2024.

iii. ***Mr. Rohit Dhoot and Mr. Sameer Kaji were inducted as members of the CSR Committee w.e.f. 09th May, 2024.

iv. #Ms. Deepa Kapoor was inducted as a member of the CSR Committee w.e.f. 08th August, 2024.

A report on CSR activities as prescribed under the Act and Rules made thereunder is annexed to the Board Report.

Minutes of the meeting of the Corporate Social Responsibility Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

V. RISK MANAGEMENT COMMITTEE

COMPOSITION

The Risk Management Committee (RMC) comprises of five members, Mr. Ashok Mittal, Independent Director being the Chairman. Other members of the Committee are Mr. Rohit Dhoot, Ms. Deepa Kapoor, Mr. Arhant Nopany and Mr. Ashishkumar Srivastava.

TERMS OF REFERENCE

The Committee is entrusted with the task of monitoring, reviewing and managing the risks to which the Company is exposed, preparation of Company - wide framework for risk management, fixing roles and responsibilities, communicating the risk management objective, allocating resources, drawing action plan, determining criteria for defining major and minor risks, deciding strategies for escalated major risk areas, updating Company-wide risk register and preparing MIS report.

MEETINGS AND ATTENDANCE

During the year under review, the Committee met thrice on 07th May, 2024, 26th July, 2024 and 21st March, 2025. The attendance of the members of the Committee meeting was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Rajiv K. Podar *	Chairman	Independent	1
Mr. Ashok Mittal **	Chairman	Independent	2
Mr. Rohit Dhoot	Member	Independent	2
Ms. Deepa Kapoor ***	Member	Independent	1
Mr. Arhant Vikram Nopany ***	Member	Non-Executive	1
Mr. Suresh Kumar Khandelia #	Member	Senior Management Personnel	2
Mr. Ashishkumar Srivastava ##	Member	Executive	0

i. *Mr. Rajiv K. Podar ceased as Chairman of the RMC w.e.f. 23rd August, 2024.

ii. **Mr. Ashok Mittal was appointed as Chairman of the RMC w.e.f. 23rd August, 2024.

iii. ***Ms. Deepa Kapoor and Mr. Arhant Nopany were inducted as members of the RMC w.e.f. 09th May, 2024.

iv. #Mr. Suresh Kumar Khandelia ceased to be a member of the RMC w.e.f. 24th March, 2025

v. ##Mr. Ashishkumar Srivastava was inducted as a member of the RMC w.e.f. 24th March, 2025..

Minutes of the meeting of the Risk Management Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

VI. FINANCE AND CORPORATE AFFAIRS COMMITTEE

COMPOSITION

The Finance & Corporate Affairs Committee comprised of one Non-Executive Director, two Executive Directors and two Independent Directors and is headed by Mr. C.S. Nopany, Executive Chairman of the Board. Other members of the Committee are Mrs. Sonu H. Bhasin, Mr. Ashok Mittal, Mr. Arhant Vikram Nopany and Mr. Ashishkumar Srivastava (w.e.f. 24th March, 2025). Mr. Rajib Mukhopadhyay ceased to be a member of the Committee w.e.f. 23rd March, 2025.

TERMS OF REFERENCE

The Committee inter alia decides upon matters relating to inter corporate loans / deposits, investments, opening and closing of bank accounts and various matters related thereto, in terms of the powers delegated to it by the Board from time to time.

During the year under review, no meetings of the Committee were held.

E. SENIOR MANAGEMENT

a) Mr. Gaurav Jain was appointed as Corporate HR Head w.e.f. 01st April, 2024.

b) Mr. Deepak Sood resigned from the position of Sr. Vice President Commercial, (Group Commercial Head) - Chenab Textile Mills w.e.f. 30th April, 2024.

c) Mr. Ranjan Chaudhary was appointed as Chief Operating Officer (COO) of the Company w.e.f. 13th May, 2024.

d) Mr. Pradip Sharma resigned from the position of Sr. Vice President (Works) - Damanganga Home Textiles w.e.f. 03rd June, 2024.

e) Mr. H. M. Vashisth resigned from the position of Executive President - Rajasthan Textile Mills w.e.f. 25th July, 2024.

f) Mr. Upendra Kumar Pattnaik was designated as Joint Executive President - Chenab Textile Mills w.e.f. 26th July, 2024.

g) Mr. Dinesh Rajpurohit was appointed as Acting Executive President - Rajasthan Textile Mills w.e.f. 26th July, 2024.

h) Mr. Chandrashekhar Thete was designated as Vice President Operations & Unit Head of the Damanganga Units w.e.f. 26th July, 2024.

i) Mr. Deepak Bhala resigned from the position of Sr. Vice President - Marketing (Head - Domestic Synthetic Yarn) w.e.f. 31st January, 2025.

j) Mr. Ashishkumar Srivastava was appointed as the Chief Executive Officer of the Company w.e.f. 24th March, 2025.

k) Mr. Suresh Kumar Khandelia resigned from the position of Advisor (Senior Management Personnel) w.e.f. 31st March, 2025.

l) Mr. Umesh Gupta ceased to be the Executive President of Chenab Textile Mills w.e.f. 31st March, 2025, due to his retirement.

F. DETAILS OF REMUNERATION PAID TO DIRECTORS

The Executive Chairman receives salary, allowances, sitting fees, perquisites and commission; the Wholetime Director receives salary, allowances and perquisites, while all the Non-Executive Directors receive sitting fees, allowances, if applicable, and annual commission within the prescribed limits as set out in the Act.

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Directors during the year.

i. Remuneration paid to Non-Executive Directors of the Company

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and Committees thereof. They are also entitled to a fixed commission, payable proportionately to their tenure in office as Directors of the Company.

The commission to all the Non-Executive Directors of the Company is determined after taking into account their valuable guidance in the various business initiatives and decisions at the Board level and also profitability of the Company. No Commission was paid during the year under review. The details of sitting fees (including for Committee meetings) paid to the Non-Executive Directors during F. Y. 2024 - 25 is:

Sr. No.	Name of Director	Sitting Fees (Rs.)
1.	Mr. U. K. Khaitan	1,75,000
2.	Mr. Amit Dalal	2,25,000
3	Mr. Rajan A. Dalal	2,00,000
4.	Mr. Rajiv K. Podar	2,25,000
5.	Mrs. Sonu H. Bhasin	3,00,000
6.	Mr. Rohit Dhoot	3,50,000
7.	Mr. Ashok Mittal	4,75,000
8.	Mr. Sameer Kaji	3,75,000
9.	Ms Deepa Kapoor	3,75,000
10.	Mr. Arhant Vikram Nopany	4,00,000
	Total	**31,00,000**

ii. **Remuneration paid / payable to the Executive Directors of the Company for the year ended 31st March, 2025 is as under:**

(in Rs.)

Executive Chairman and Wholetime Director	Salary etc.	Perquisites	Retirement Benefits	Sitting Fees	Total
Mr. C. S. Nopany	3,00,00,000	-	-	3,08,000	3,03,08,000
Mr. Rajib Mukhopadhyay (ceased to be Director on 23rd March, 2025)	1,36,63,881	-	9,43,332	-	1,46,07,213
Mr. Ashishkumar Srivastava (appointed as a Wholetime Director w.e.f 24th March, 2025)	10,20,493	-	30,910	-	10,51,403

G. COMPANY POLICIES

i. WHISTLE BLOWER POLICY

The Company is committed to adhere to high standards of corporate governance. The Company has adopted a Whistle Blower policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer / Chief Ethics Counsellor for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower policy of the Company are subject to review by the Audit Committee. The Whistle Blower policy is available on the website of the Company at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Whistle%20Blower%20Policy.pdf

ii. REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel and determination of remuneration payable to them. The policy contains, inter alia, criteria for appointment and remuneration including determining qualifications, positive attributes, independence of a director, etc. The Remuneration Policy is available on the website of the Company at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/STIL_Remuneration%20Policy0525.pdf

iii. POLICY ON RELATED PARTY TRANSACTIONS

In line with requirement of the Act and Listing Regulations, 2015, your Company has formulated a policy on Related Party Transactions which is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/STIL%20RPT%20Policy09052025.pdf

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

This policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained on an annual basis for transactions with related parties which are of repetitive nature and / or entered in the ordinary course of business and on an arm's length basis.

iv. CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility (CSR) policy is formulated in consultation with the CSR Committee and as envisaged under Section 135 of the Act and the Rules framed thereunder and is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/CSR%20Policy2022.pdf

The CSR policy outlines the Company's philosophy and responsibility as a corporate citizen of India and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the communities across the country.

v. MATERIAL SUBSIDIARY POLICY

In line with requirement of Regulation 46(2)(h) of the Listing Regulations, 2015, your Company has formulated a policy on Material Subsidiaries which is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Material%20Subsidiary%20Policy.pdf

The objective of this policy is to determine Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

vi. BOARD DIVERSITY

Pursuant to the Listing Regulations, 2015, the Company has formulated a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The Board Diversity policy sets out the approach for diversity of the Board of your Company. The Company recognizes and embraces the benefits of having a diverse Board. A truly diverse Board with an inclusive culture will make good the differences in skills, experience, education, gender, age, race, geography, ethnicity, background and other distinctions between the Directors. This policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Board%20Diversity%20Policy.pdf

The objective of this policy is to ensure an optimum composition of the Board such that the talent of all members of the Board blend together to be as effective as possible.

vii. BUSINESS RESPONSIBILITY POLICY

Business Responsibility and Sustainability Report for the year under review, describing the initiatives taken by the Company from an Environment, Social and Governance perspective as stipulated under Regulation 34(2)(f) of the Listing Regulations, 2015 forms part of the Annual Report. A Business Responsibility Policy has also been framed. This policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Business-Responsibility-Policy.pdf

H. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is given in a separate section in this Annual Report and forms part of the Directors' Report.

I. DISCLOSURES

(a) Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The actual transactions entered into pursuant to the omnibus approval so granted are placed at quarterly meetings of the Audit Committee for their review.

Details of related party transactions between the Company and the Promoters, Management, Directors or their relatives, etc. are disclosed in Note No. 44 of the Annual Financial Statements in compliance with the Indian Accounting Standard relating to "Related Party Disclosures". Details of all such transactions are provided to the Board at the Board meetings and the interested Directors neither participate in the discussion, nor vote on such matters.

There is no materially significant related party transaction that may potentially conflict with the interests of the Company at large.

(b) Confirmation by the Board of Directors on acceptance of Recommendation of Mandatory Committees

In terms of the amendments made to the Listing Regulations, 2015 the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

(c) Accounting treatment in preparation of financial statements

The financial statements have been prepared to comply in all material respects with the applicable Accounting Standards notified under Section 133 and the relevant provisions of the Act and generally accepted accounting principles in India.

(d) Details of non-compliance with regard to the capital markets

There has been no instance of non-compliance by your Company and no penalties or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets.

(e) Proceeds from public issues, rights issues, preferential issues, etc.

During the year under review, no proceeds were raised by the Company from public issue, rights issue, preferential issue, etc.

(f) Insider Trading

In order to regulate trading in securities of the Company by the Designated Persons, your Company has adopted the Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders (Insider Trading Code) and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) which, inter alia, prohibits trading in shares by an 'insider' when in possession of Unpublished Price Sensitive Information (UPSI). The Insider Trading Code prevents misuse of UPSI and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Designated Persons.

The Board of Directors have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the Prohibition of Insider Trading Regulations.

(g) Compliance with the mandatory Corporate Governance requirements as prescribed under the Listing Regulations, 2015

The Board of Directors periodically review the compliance of all applicable laws. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, 2015.

(h) Certificate on Corporate Governance

The Company has obtained a certificate from its Practicing Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated in Regulation 34(3) read with Part E of Schedule V of the Listing Regulations, 2015 which together with this Report on Corporate Governance is annexed to the Director's Report and shall be sent to all the shareholders of the Company and the

Stock Exchanges along with the Annual Report of the Company.

(i) Compliance with Discretionary Requirements

The Company has substantially complied with the discretionary requirements stipulated under Regulation 27 (1) of the Listing Regulations, 2015.

(j) Risk Management

As required under Regulation 17 of Listing Regulations, 2015, the Company has established a well-documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are classified as strategic risks, business risks or reporting risks. Strategic risks are those which are associated with the long term interests of the Company. Reporting risks are associated with incorrect or un-timely financial and non-financial reporting.

The Risk Management Committee and the Board of Directors review the risk management strategy of the Company to ensure effectiveness of the risk management policy and procedures. The Board of Directors of the Company are regularly apprised on the key risk areas and a mitigation mechanism is recommended.

(k) Corporate Ethics

As a responsible corporate citizen, the Company consciously follows corporate ethics in business and corporate interactions. The Company has framed codes and policies providing guidance for carrying business in an ethical manner. Some of these policies are:

a) Code for Prevention of Insider Trading;

b) Code of Conduct;

c) Whistle Blower policy;

d) Safety, Health and Environment policy in each of the units;

e) Equal Opportunity Policy;

f) Human Rights Policy;

g) ESG Policy; and

h) Sustainable Procurement Policy.

In conformity with the recent statutory changes, the codes have been revised accordingly.

(l) Prevention of Sexual Harassment at Workplace

Your Company has constituted Internal Complaints Committee as per the requirement of the Act to redress complaints relating to sexual harassment at its workplaces. No complaints were received by the Internal Complaints Committee during the financial year 2024-25.

(m) Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

As per the requirement of Regulation 17(8) of Listing Regulations, 2015, a certificate duly signed by the CEO and CFO of the Company, regarding the financial statements for the year ended 31st March, 2025, was placed before the Board at its meeting held on 09th May, 2025.

(n) Remuneration to the Statutory Auditor

Details of the total fees paid to the Statutory Auditors by your Company are disclosed in Note No. 37 of the Annual Financial Statements in compliance with the Listing Regulations, 2015.

(o) Loans and advances in the nature of loans to firms / companies in which the Directors are interested

The Company has not advanced any amount in the nature of loans to firms / companies in which the Directors of the Company are interested during the financial year 2024-25.

(p) Details of material subsidiaries of the Company

The Company had no material subsidiary during the financial year 2024-25.

J. UNPAID / UNCLAIMED DIVIDENDS

As per Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, shares pertaining to shareholders who have not en-cashed / claimed dividends for seven consecutive years from the date of declaration were required to be transferred to the demat account of the Investor Education and Protection Fund (IEPF) Authority. The shareholders whose dividend / shares are transferred to the IEPF

Authority can claim their dividend / shares from the Authority.

In accordance with the IEPF Rules, the Company had sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and published requisite advertisement in the newspaper prior to transfer of the shares pertaining to such shareholders of the Company who have not en-cashed / claimed dividends for seven consecutive years.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2025 and the list of shareholders whose shares have been transferred to the IEPF Authority on the Company's website: www.sutlejtextiles.com

K. SHAREHOLDER INFORMATION

(i) Means of communication

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

The quarterly and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are normally published in Business Standard in English and Rajasthan Patrika / Dainik Bhaskar in Hindi in terms of Regulation 47 of the Listing Regulations, 2015. The results are also hosted on the website of the Company - www.sutlejtextiles.com

The Company organizes / participates in press meets / analyst's meets to apprise and make public the information relating to the Company's working and future outlook. The same is also available on the website of the Company.

The presentations on the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders after the financial results are communicated to the Stock Exchanges.

Annual Reports, notice of the meetings and other communications to the members are sent through e-mail, post or courier.

In accordance with Regulation 46 of the Listing Regulations, 2015, the Company has maintained a functional website at www.sutlejtextiles.com containing information about the Company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance norms, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

Further, the Company disseminates to the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited wherein the equity shares of the Company are listed, all mandatory information and price sensitive / such other information which in its opinion are material and / or have a bearing on its performance / operations and issues press releases wherever necessary for the information of the public at large. For the benefit of the shareholders, a separate email id has been created for shareholder correspondence viz. investor.relations@sutlejtextiles.com.

(ii) **General Body Meetings of the Company**

Details of the last three Annual General Meetings of the Company are as under:

AGM	Financial Year	Date	Time	Venue	Special business/s if any, passed
19th	2023-24	30th July, 2024	3.00 p.m.	Through Video Conference / Other Audio Visual means (Deemed venue: Registered Office: Pachpahar Road Bhawanimandi, Rajasthan)	1. Ratification of remuneration paid to M/s. K. G. Goyal & Associates, Cost Auditors. 2. Re-appointment of Mr. C. S. Nopany as the Wholetime Director of the Company designated as Executive Chairman. 3. Appointment of Mr. Arhant Vikram Nopany as the Non-Executive Director of the Company. 4. Appointment of Mr. Sameer Kaji as an Independent Director of the Company. 5. Appointment of Ms. Deepa Kapoor as an Independent Director of the Company. 6. Appointment of Mr. Rohit Dhoot as an Independent Director of the Company. 7. Appointment of Mr. Ashok Mittal as an Independent Director of the Company.
18th	2022-23	21st August, 2023	3.00 p.m.	Through Video Conference / Other Audio Visual means (Deemed venue: Registered Office: Pachpahar Road Bhawanimandi, Rajasthan)	1. Ratification of remuneration paid to M/s. K. G. Goyal & Associates, Cost Auditors.
17th	2021-22	30th August, 2022	3.00 p.m.	Through Video Conference / Other Audio Visual means (Deemed venue: Registered Office: Pachpahar Road Bhawanimandi, Rajasthan)	1. Re-appointment of M/s. BSR & Co. LLP, as Statutory Auditors for a second term and fixing their remuneration. 2. Ratification of remuneration paid to M/s. K. G. Goyal & Associates, Cost Auditors. 3. Appointment of Mr. Rajib Mukhopadhyay as a Director of the Company. 4. Appointment of Mr. Rajib Mukhopadhyay as the Wholetime Director of the Company.

Postal Ballot:

During the financial year 2024 - 25, no Postal Ballot activity was conducted by the Company. However, during the financial year 2024-25, the Company has initiated the process of seeking approval of the members by Postal Ballot for resolutions as contained in the Notice dated 22nd March, 2025. The e-voting for the approval sought will commence on 02nd April, 2025 and conclude on 01st May, 2025.

(iii) **Details of unclaimed shares in terms of Regulation 39 of Listing Regulations, 2015**

Regulation 39(4) of the Listing Regulations, 2015 read with Schedule VI pertaining to "Manner of dealing with Unclaimed Shares", which came into effect from 1st December, 2015, has directed companies to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services Limited (CDSL).

All corporate benefits on such shares viz. bonus, etc. shall be credited to the Unclaimed Suspense Account as applicable for a period of seven years and will thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

The details of shares transferred to 'Unclaimed Suspense Account' of your Company during the year are as under:

Particulars	No. of folios	No. of shares
Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on 01st April, 2024	21	38, 410
Shares transferred to Unclaimed Suspense Account during the year	0	0
Number of shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense account upon receipt and verification of necessary documents	2	4,870
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	5	14,620
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on 31st March, 2025	14	18,920*

*Voting Rights in respect of the aforesaid 18,920 shares held in the Unclaimed Suspense Account are frozen till the time such shares are claimed by the concerned shareholders and the shares are re-transferred in their names.

(iv) **Suspense Escrow Demat Account**

As per SEBI guidelines, after verifying investor service requests in case of shareholders holding shares in physical form, companies/RTAs issue Letters of Confirmation (LOC) instead of physical share certificates. LOCs are valid for 120 days, during which shareholders must request dematerialization of their shares through a Depository Participant (DP). If the demat request is not made within this period, the shares are transferred to a Suspense Escrow Demat Account (SEDA) of the Company. Shareholders can later claim their shares from SEDA by submitting required documents to the RTA as per SEBI Advisory dated 30th December, 2022.

(v) **General Shareholders' information**

a) **20th Annual General Meeting:**

Date	29th July, 2025
Day	Tuesday
Time	3.00 p.m.
Mode	Through video conference / other audio video means Registered Office: Pachpahar Road, Bhawanimandi 326 502 (Raj.) [Deemed Venue]

b) Tentative financial calendar:

Next financial year	1st April, 2025 to 31st March, 2026
First Quarter Results & Limited Review	mid August, 2025
Second Quarter Results & Limited Review	mid November, 2025
Third Quarter Results & Limited Review	mid February, 2026
Audited Annual Results (2025-26)	mid May, 2026

(vi) Listing on Stock Exchanges and Stock Codes:

The names of the Stock Exchanges on which the Company's equity shares are listed with the respective stock codes are as under:

Sr. No.	Name of the Stock Exchange	Stock Code
1.	**BSE Ltd.** P. J. Towers, Dalal Street, Mumbai - 400 001	532782
2.	**National Stock Exchange of India Ltd.** Exchange Plaza, Block G, C1, Bandra Kurla Complex, Bandra East, Mumbai - 400 051	SUTLEJTEX

Listing fees for the year 2025-26 has been paid to the Stock Exchanges within the stipulated time.

(vii) Corporate Identification Number

Corporate Identification Number of the Company allotted by the Ministry of Corporate Affairs, Government of India is L17124RJ2005PLC020927.

(viii) Distribution of shareholding:

The distribution of shareholding as on 31st March, 2025 was as follows:

Sr. No.	Number of Equity Shares	Number of shares held	% of total Shares
1.	Up to 1000	50,53,915	3.08
2.	1001 to 5000	54,47,975	3.32
3.	5001 to 10000	25,19,448	1.54
4.	10001 to 50000	55,89,460	3.41
5.	50001 to 100000	34,39,912	2.10
6.	100001 to 1000000	67,17,740	4.10
7.	1000001 to 5000000	1,83,95,640	11.23
8.	5000001 and above	11,66,64,530	71.21
	TOTAL	**16,38,28,620**	**100.00**

(ix) Details of shareholding as on 31st March, 2025 was as under:

Sr. No.	Particulars	As on 31st March, 2025	
		No. of shares	%
1.	Promoters / Promoter Group	10,47,78,660	63.96
2.	Financial Institutions / Banks / Mutual Funds / UTI / Insurance Cos. / NBFCs	40,300	0.02
3.	Central Government / State Government(s) / IEPF	13,92,290	0.85

Sr. No.	Particulars	As on 31st March, 2025	
		No. of shares	%
4.	Indian Public :		
	a. Bodies Corporate - LLP	2,72,58,558	16.64
	b. Individuals / HUF / Trusts	2,72,20,277	16.62
	c. Stock Exchange / Clearing Members	1,617	0.00
5.	FIIs and FPIs	23,79,293	1.45
6.	NRI / Foreign Nationals	7,38,705	0.45
7.	Unclaimed shares	18,920	0.01
	TOTAL	**16,38,28,620**	**100.00**

(x) Dematerialization of shares and liquidity

The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited. The Company has an agreement with NSDL and CDSL for providing depository services for holding the shares in dematerialized mode. As a result, as on 31st March, 2025, 99.77% of the total equity share capital of the Company was held in dematerialized form. The Company has paid the requisite fees to all these authorities for the year 2025 - 26.

(xi) Communication to Members

As per circulars issued by SEBI from time to time, it is mandatory for holders of physical securities to furnish PAN, KYC and Nomination / Opt-out of Nomination details before getting any investor service request processed. Security holders holding securities in physical form, and who have not updated/ submitted PAN, KYC or Nomination / Opt-out of Nomination, shall be eligible to receive dividend only through electronic mode with effect from 1st April, 2024. Members may refer to the FAQs for investor awareness, provided by SEBI on its website at

https://www.sebi.gov.in/sebi_data/faqfiles/jan2024/1704433843359.pdf.

Members who are yet to update details in their physical folios are, therefore, urged to furnish PAN, KYC and Nomination / Opt-out of Nomination by submitting the prescribed forms duly filled, to the RTA by email from their registered email id to rnt.helpdesk@in.mpms.mufg.com or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) at C-101, Embassy, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083.

The Company has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17th May, 2023.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website under the link :

https://www.sutlejtextiles.com/pdf/ISR/FORM-ISR-4-Request%20for%20issue%20of%20Duplicate%20Certificate.pdf

Members holding shares in physical form are requested to dematerialize their holding at the earliest to get inherent benefits of dematerialization and also considering that physical transfer of equity shares / issuance of equity shares in physical form has been disallowed by SEBI.

(xii) Restriction on transfer of shares held in physical form

The attention of members is drawn to SEBI Circular no. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 whereby companies have been directed not to effect transfer of securities unless the same are held in dematerialized form with a Depository (except in case of transmission and transposition of securities).

Members holding shares in physical form are requested to dematerialize their holding at the earliest in case they want to effect any transfer of shares.

(xiii) Share transfer system

To expedite share transfer, authority has been delegated to the Stakeholders Relationship Committee of the Board. The Committee considers requests for transmission, issue of duplicate certificates, issue of certificates on split / consolidation / renewal, etc. and the same are processed and delivered within 15 days of lodgment, if the documents are complete in all respects. The Company Secretary of the Company has also been authorized to approve requests for transmission, effecting change of name, etc. to expedite requests from members.

As per provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website through the weblink:

https://www.sutlejtextiles.com/pdf/ISR/FORM-SH-13-Nomination%20Form.pdf

Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

(xiv) Address for Shareholders' Correspondence

Members of the Company are requested to correspond with the RTA at the below given address on all matters relating to transmission, duplicate issue of shares, dematerialization of shares, payment of dividend and any other query relating to the equity shares of the Company.

(xv) Registrar and Transfer Agent

The Company has appointed MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), as Registrar & Share Transfer Agent (RTA) of the Company from 01st April, 2016 for handling share registry (physical and electronic modes). Accordingly, all correspondence, requests for transmission, demat / remat and other communication in relation thereto should be mailed / hand delivered to the said RTA directly at the following address:

MUFG Intime India Private Limited

C-101, 1st Floor, Embassy 247,
Lal Bahadur Shastri Marg, Vikhroli West,
Mumbai 400 083.
Phone: +91 8108116767
Fax: 022 - 4918 6060
E-mail: rnt.helpdesk@in.mpms.mufg.com

(xvi) Compliance Officer's Details:

Mr. Manoj Contractor
Company Secretary and Compliance Officer

seated at Mumbai office at:
E Wing, 6th Floor, Lotus Corporate Park,
Graham Firth Steel Compound,
Jay Coach, Goregaon (East), Mumbai - 400 063.
Tel: 022 - 4219 8800
E-mail ID: manojcontractor@sutlejtextiles.com

(xvii) Investor Relations:

In order to facilitate investor servicing, the Company has designated an e-mail id – investor.relations@sutlejtextiles.com mainly for registering complaints by investors.

(xviii) The Company has managed the foreign exchange risk arising from foreign currency transactions, with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposure relating to firm commitment. The Company is exposed to the risk of price fluctuations of its key raw materials, dyes and chemicals, etc. The Company manages its commodity price risk by maintaining adequate inventory of such raw materials, dyes and chemicals as per the policies of the Company. The Company does not undertake any commodity hedging activities.

L. COMPLIANCE

(i) Statutory Compliance, Penalties and Strictures

The Company continues to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market. There were no cases of penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any other statutory authorities for any violation related to capital market during the last three years.

(ii) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

As on date there are no outstanding warrants or any convertible instruments. The Company has not issued GDRs/ADRs.

(iii) Disclosure under Regulation 30 of the Listing Regulations, 2015 regarding certain agreements with media companies

Pursuant to the requirement of Regulation 30 of the Listing Regulations, 2015, the Company would like to inform that no agreement(s) have been entered into with media companies and / or their associates which has resulted in / will result in any kind of shareholding in the Company and consequently any other related disclosures viz. details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the Company entered into any other back to back treaties / contracts / agreements / MoUs or similar instruments with media companies and / or their associates.

(iv) Disclosure of certain types of agreements binding listed entities

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

(v) Certificate from Practicing Company Secretary

The Company has obtained a certificate from its Practicing Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified by SEBI / Ministry of Corporate Affairs or any such statutory authority, from being appointed or acting to continue as a Director of the Company.

M. INVESTOR SAFEGUARDS AND OTHER INFORMATION

(i) Dematerialization of Shares

Shareholders are requested to convert their physical holdings to demat / electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

(ii) National Electronic Clearing Services (NECS) / Electronic Clearing Services (ECS) mandate

NECS / ECS facility ensures timely remittance of dividend without possibility of loss / delay in postal transit. Shareholders holding shares in electronic form may register their NECS / ECS details with the respective DPs and shareholders holding shares in physical form may register their NECS / ECS details with Registrar and Share Transfer Agents to receive dividends, if declared, via the NECS / ECS mode.

(iii) Timely Encashment of Dividends

In respect of the shareholders who have either not opted for NECS / ECS mandate or do not have such a facility with their banker, are requested to encash dividends promptly to avoid the inconvenience of writing to Company's RTA thereafter for revalidation of dividend warrants.

(iv) **Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)**

Under the Act, dividends which remain unclaimed for a period of seven consecutive years are required to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Dates of declaration of dividends since 2017 - 18 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government, are given in the table below:

Financial Year ended	Date of Declaration of Dividend	Amount remaining unclaimed/unpaid as on 31.03.2025 (Rs.)	Last date for claiming unpaid Dividend amount (on or before)	Date when amount becomes due for transfer to IEP Fund
31.03.2018	31.08.2018	14,14,060.70	07.10.2025	06.11.2025
31.03.2019	22.08.2019	5,16,758.45	28.09.2026	28.10.2026
31.03.2020	16.09.2020	1,90,331.14	23.10.2027	22.11.2027
31.03.2021	31.08.2021	1,59,484.21	07.10.2028	06.11.2028
31.03.2022	30.08.2022	6,47,664.10	06.10.2029	05.11.2029
31.03.2023	21.08.2023	3,96,759.00	27.09.2030	27.10.2030

The members are once again requested to utilize this opportunity and get in touch with Company's RTA - MUFG Intime India Private Limited for encashing the unclaimed dividends standing to the credit of their account.

Members are further requested to note that after completion of seven years, no claims shall lie against the Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claim by the Company. Those shareholders whose dividends are transferred to IEPF authority can claim their dividend from the concerned Authority in the prescribed manner.

(v) **Update Address / Bank Details**

To receive all communications / corporate actions promptly, shareholders holding shares in dematerialized form are requested to please update their address / bank details with the respective DPs and in case of physical shares, the details have to be intimated to the RTA.

(vi) **Registered email address**

The Ministry of Corporate Affairs has taken steps to encourage a 'Green Initiative in Corporate Governance' by issuing various circulars whereby companies are permitted to send Notice / documents including Annual Report in electronic mode (hereinafter 'Documents'), provided the company has obtained email address of its members for sending these Documents through email by giving an advance opportunity to every shareholder to register their email addresses and changes therein from time to time with the company.

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email addresses along with the details such as name, address, folio no., no. of shares held to the RTA - MUFG Intime India Private Limited.

In respect of shares held in electronic form, the email address along with DP ID / Client ID and other shareholder details as mentioned above should be registered by the shareholders with their respective DP's. Upon registration of the email address, the Company proposes to send notices and documents, in electronic form to such shareholders.

(vii) **Addresses for correspondence:**

Sutlej Textiles and Industries Limited

Pachpahar Road, Bhawanimandi - 326 502 (Rajasthan).
Telephones: 07433 - 222052 / 222082 / 222090
Fax: 07433 - 222354
E-mail: investor.relations@sutlejtextiles.com

MUFG Intime India Private Limited

C-101, 1st Floor, Embassy 247,
Lal Bahadur Shastri Marg, Vikhroli West,
Mumbai 400 083.
Phone: +91 8108116767
Fax: 022 - 4918 6060
E-mail: rnt.helpdesk@in.mpms.mufg.com

(viii) Location of the Plants:

Units	Location	Products
Chenab Textile Mills	Kathua 184 102 (Jammu & Kashmir)	Cotton and Manmade Fibre Yarn
Rajasthan Textile Mills	Pachpahar Road, Bhawanimandi 326 502 (Rajasthan)	
Birla Textile Mills	Baddi, Solan, 173 205 (Himachal Pradesh)	
Damanganga Home Textiles	Village Daheli, Near Bhilad, Umbergaon, District: Valsad, 396 105 (Gujarat)	Home Textiles
Sutlej Green Fibres (Birla Textile Mills Unit II)	Baddi, Solan, 173 205 (Himachal Pradesh)	Recyled Polyester Staple Fibre

CEO & CFO Certificate

[As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Date: 19th April, 2025

To
The Board of Directors
Sutlej Textiles and Industries Limited
Bhawanimandi - 326502 (Raj.)

We hereby certify to the Board that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2025 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 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 internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) significant changes, if any, in internal control over financial reporting during the year;

(ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

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

For Sutlej Textiles and Industries Limited

Sd/-
(Ashish Kumar Srivastava)
Wholetime Director & CEO
DIN: 06527942

For Sutlej Textiles and Industries Limited

Sd/-
(Rajib Mukhopadhyay)
Chief Financial Officer
M. No.: 058123

Declaration under Regulation 26 of the Listing Regulations, 2015

From
Ashish Kumar Srivastava
Sutlej Textiles and Industries Limited
Mumbai

To
Sutlej Textiles and Industries Limited
Pachpahar Road,
Bhawanimandi - 326502
Rajasthan

DECLARATION OF COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company pursuant to Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2025.

Sd/-
Ashish Kumar Srivastava
Wholetime Director & CEO
DIN: 06527942

Place: Mumbai
Dated: 19th April, 2025

Auditor's Certificate on Corporate Governance

To,
The Members,
Sutlej Textiles and Industries Limited
CIN: L17124RJ2005PLC020927
Pachpahar Road, Bhawanimandi,
Jhalawar, Rajasthan.

We have examined the compliance of conditions of Corporate Governance by Sutlej Textiles and Industries Limited ('the Company'), as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the financial year ended 31st March, 2025.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended 31st March, 2025.

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

Place: JAIPUR
Date: 09.05.2025
UDIN: F005118G000299821

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)

Sd/-
RAJENDRA CHOUHAN - PROPRIETOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No. 5118
C P No.: 3726

Certificate of Non-Disqualification of Directors

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

To
Sutlej Textiles and Industries Limited
Pachpahar Road, Bhawanimandi
Jhalawar - 326502, Rajasthan.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sutlej Textiles and Industries Limited having CIN - L17124RJ2005PLC020927 and having registered office at Pachpahar Road, Bhawanimandi, Jhalawar, Rajasthan (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 (LODR) 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 and its officers, I hereby certify that none of the Directors on the Board of the Company given below for the F.Y. ending on 31.03.2025 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	Director Identification Number (DIN)	Date of Appointment in the Company	Date of Cessation from the Company
1	Mr. Chandra Shekhar Nopany (a)	00014587	19/09/2006	--
2	Mr. Umesh Kumar Khaitan	01180359	01/06/2006	23.08.2024
3	Mr. Rajan Arvind Dalal	00546264	19/11/2008	23.08.2024
4	Mr. Amit Dalal	00297603	01/06/2006	23.08.2024
5	Mr. Rajiv Kantikumar Podar	00086172	21/07/2009	23.08.2024
6	Mrs. Sonu Halan Bhasin	02872234	07/05/2015	--
7	Mr. Rohit Rajgopal Dhoot (b)	00016856	25/10/2017	--
8	Mr. Ashok Mittal (b)	00016275	05/02/2019	--
9	Mr. Rajib Mukhopadhyay (c)	02895021	11/06/2022	23.03.2025
10	Mr. Sameer Ambarish Kaji (d)	00172548	09/05/2024	--
11	Ms. Deepa Kapoor (d)	06828033	09/05/2024	--
12	Mr. Arhant Vikram Nopany (e)	07863206	09/05/2024	--
13	Mr. Ashishkumar Hari Mohan Srivastava (f)	06527942	24/03/2025	--

a. Mr. Chandra Shekhar Nopany was re-appointed as Wholetime Director designated as "Executive Chairman" of the Company for a period of 3 (Three) years w.e.f. 01st July, 2024.

b. Mr. Rohit Rajgopal Dhoot and Mr. Ashok Mittal were appointed as Independent Directors of the Company w.e.f. 30th July, 2024.

c. Mr. Rajib Mukhopadhyay continues as CFO of the Company.

d. Mr. Sameer Ambarish Kaji and Ms. Deepa Kapoor were appointed as Additional Directors (Independent) of the Company w.e.f. 09th May, 2024 and their appointment was regularized in the AGM held on 30th July, 2024.

e. Mr. Arhant Vikram Nopany was appointed as Additional Director (Non-Executive) w.e.f. 09th May, 2024 and his appointment was regularized as Non-Executive Director of the Company w.e.f. 30th July, 2024.

f. Mr. Ashishkumar Hari Mohan Srivastava was appointed as Additional Director and Wholetime Director (designated as Wholetime Director and Chief Executive Officer) of the Company w.e.f. 24th March, 2025. Further his appointment was regularized as Director and Wholetime Director through resolutions passed by the shareholders by Postal Ballot on 01st May, 2025.

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

Place: JAIPUR
Date: 09.05.2025
UDIN: F005118G000299874

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)

Sd/-
RAJENDRA CHOUHAN - PROPRIETOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No. 5118
C P No.: 3726

Annexure-IV

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

The CSR initiatives of the Company are undertaken with people at the core of all our activities. The focus areas identified by the Company for its CSR activities are education, development of rural infrastructure, conservation of environment, animal welfare, health and sanitation and promotion of sports and cultural activities.

The Company is committed to building a sustainable enterprise for the benefit of its present and future generation of stakeholders. The Company shall integrate and follow responsible practices in its business strategies and operations, to manage the three challenges - economic prosperity, social development and environmental integrity.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Sonu Bhasin	Chairperson / ID	2	2
2.	Mr. Rohit Dhoot	Member / ID	2	1
3.	Mr. Sameer Kaji	Member / ID	2	1
4.	Ms. Deepa Kapoor	Member / ID	2	1

ID - Independent Director

3. The weblink where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

These details are disclosed on the Company's website at www.sutlejtextiles.com. https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/CSR%20Policy2022.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: N. A.

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:

(Rs. in lakhs)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1	2023-24	0.70	-
2	2024-25	-	0.70

6. Average net profit of the Company as per Section 135(5): Rs. 4,845 lakhs

7. **(a)** Two percent of average net profit of the Company as per Section 135(5): Rs. 97 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: Rs. 0.70 lakhs

   (d) Total CSR obligation for the financial year (7a + 7b - 7c): Rs. 96.30 lakhs

8. (a) 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 Fund	Amount	Date of transfer
Rs. 100.75 lakhs	Nil	N. A.	N. A.	Nil	N. A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. 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	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Impleme-ntation-Direct (Yes/ No)	Mode of Implementa-tion - Through Implementing Agency
-	-	-	-	-	-	-	-	-	-	-

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

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementa-tion - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Construction of Borewell for portable drinking water for the local community	Health Care and Sanitation	Yes	Kathua J&K		2.61	Yes	N.A.	N.A.
2	Contributed to Shri Mata Vaishno Devi Charitable Society - Super Speciality Hospital		No	Reasi, J&K		1.50	No	Through Shri Mata Vaishno Devi Charitable Society	CSR00039740
3	Distribution of Medical Equipment to Government Kamruddin Community Health Centre		Yes	Bhawanimandi, Rajasthan		3.06	Yes	N.A.	N.A.
4	Construction of Toilet Block and Roof Shed at Girls Senior Secondary School		Yes	Bhawanimandi, Rajasthan		7.62	Yes	N.A	N.A.
5	Providing Cradles to Government Hospital		Yes	Bhawanimandi, Rajasthan		0.08	Yes	N.A.	N.A.

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
6	Construction of Toilet Block at Government Senior Secondary School	Health Care and Sanitation	Yes	Garrer, Himachal Pradesh		4.29	Yes	N.A.	N.A.
7	Construction of Toilet for general public		Yes	Baddi, Himachal Pradesh		1.38	Yes	N.A.	N.A.
8	Providing medical equipment to Government Ayurvedic Hospital		No	Nalagarh, Himachal Pradesh		1.55	Yes	N.A.	N.A.
9	Construction of Hospital wing		Yes	Valsad, Gujarat		20.00	No	Through Rotary Shaikshanik & Tabibi Seva Sahayak Mandal	CSR00007428
10	Contributed to Police Martyrs North Zone T-20 Cricket Tournaments	Promotion of Sports Activities	Yes	Kathua, J&K		4.05	Yes	N.A.	N.A.
11	Sponsoring 68th State Level Student Badminton Competition		Yes	Bhawanimandi, Rajasthan		1.00	Yes	N.A.	N.A.
12	Sponsorship for All India Shooting Ball Tournament by Shooting Ball Federation of India		Yes	Bhawanimandi, Rajasthan		1.00	Yes	N.A.	N.A.
13	Providing Moksh Rath for the local community	Rural Development and Social Welfare	Yes	Kathua, J&K		10.27	Yes	N.A.	N.A.
14	Construction of boundary wall & renovation to Cremation ground		Yes	Buddi, J&K		9.82	Yes	N.A.	N.A.
15	Construction of CC flooring of roadside pathway in Chakram Singh, Govindser		Yes	Kathua, J&K		3.83	Yes	N.A.	N.A.
16	Provided Inverter Battery, Chairs and Watercooler at SDM and other public offices		Yes	Bhawanimandi, Rajasthan		1.03	Yes	N.A.	N.A.
17	Renovation of Community Centre		Yes	Baddi, Himachal Pradesh		2.66	Yes	N.A.	N.A.

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementa-tion - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
18	Renovation of Cremation ground	Rural Development and Social Welfare	Yes	Mandhala, Himachal Pradesh		1.71	Yes	N.A.	N.A.
19	Constructed Passenger Shed		Yes	Kathua, J&K		2.64	Yes	N.A.	N.A.
20	Providing Blankets to disabled soilders		Yes	Kathua, J&K		4.13	Yes	N.A.	N.A.
21	Construction of Shed at Barog		Yes	Solan, Himachal Pradesh		4.27	Yes	N.A.	N.A.
22	Construction of drinking water facility with water cooler		Yes	Baddi, Himachal Pradesh		0.89	Yes	N.A.	N.A.
23	Construction of Cow Shed at Shree Ram Gaushala	Animal Welfare	Yes	Dhabhota, Himachal Pradesh		3.77	Yes	N.A.	N.A.
24	Renovation of Cow Shed at Shri Gopal Gaushala		Yes	Bhawanimandi, Rajasthan		2.50	No	Through Shri Gopal Goshala Seva Sansthan	CSR00058017
25	Sponsorship of World Environment Day and Festival of Education organized by Rajasthan Environment & Energy Conservation Centre	Promotion of Education	No	Jaipur, Rajasthan		3.00	Yes	N.A.	N.A.
26	Donation to Ek Shikshak Ek Vidhyalaya - Ekal Vidyalala Movement		Yes	Kathua, J&K		1.01	No	Through Mata Vaishno Devi Lok Sewa Trust	CSR00015452
27	Providing desks to Government Middle School		Yes	Kathua, J&K		0.60	Yes	N.A.	N.A.
28	Distribution of Helmets and Caps to create awareness during Road Safety Week event		Yes	Bhawanimandi, Rajasthan		0.48	Yes	N.A.	N.A.
		TOTAL				**100.75**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N. A.

(f) Total amount spent for the financial year (8b + 8c + 8d + 8e): Rs. 100.75 lakhs

(g) Excess amount for set off, if any: Rs. 4.45 lakhs

(Rs. in lakhs)

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	96.30 *
(ii)	Total amount spent for the financial year	100.75
(iii)	Excess amount for the financial year [(ii)-(i)]	4.45
(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)]	4.45

* 2% of average net profit of the Company stands at Rs. 97 lakhs, however, after claiming a set off of Rs. 0.70 lakhs, the said amount aggregates to Rs. 96.30 lakhs.

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 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 remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
-	-	-	-	-	-	-	-

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

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

10. Details relating to the asset created or acquired through CSR spent in the financial year (asset-wise details): N. A.

(a) Date of creation or acquisition of the capital asset(s): N. A.

(b) Amount of CSR spent for creation or acquisition of capital asset: N. A.

(c) Details of the entity or public authority or beneficiary under whose name capital asset is registered, their address: N. A.

(d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N. A.

11. Reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

Sd/-
Ashishkumar Srivastava
Wholetime Director & CEO
DIN: 06527942

Sd/-
Deepa Kapoor
Chairperson
CSR Committee
DIN: 06828033

Annexure-V

Business Responsibility and Sustainability Report

SECTION A- GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the listed entity** - L17124RJ2005PLC020927
2. **Name of the listed entity** - SUTLEJ TEXTILES AND INDUSTRIES LIMITED
3. **Year of incorporation**- 2005
4. **Registered office address** - Pachpahar Road, Bhawanimandi, Jhalawar, Rajasthan - 326 502
5. **Corporate address** - E-601, Lotus Corporate Park, 185/A, Graham Firth Compound, Goregaon East, Mumbai 400 063.
6. **E-mail** - hoffice@sutlejtextiles.com
7. **Telephone** - 07433-222052/082
8. **Website** - www.sutlejtextiles.com
9. **Financial year for which reporting is being done** - 2024-25
10. **Name of the Stock Exchange(s) where shares are listed** - BSE Limited and National Stock Exchange of India Limited
11. **Paid-up Capital** - Rs. 16,38,28,620/-
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** –

    Name: Manoj Contractor, Company Secretary and Compliance Officer

    Telephone No.: 022-4219 8800

    Email ID: manojcontractor@sutlejtextiles.com
13. **Reporting boundary** - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) - Standalone Basis
14. **Name of assurance provider** - N. A.
15. **Type of assurance obtained** - N. A.

II. Products / Services

16. **Details of business activities (accounting for 90% of the turnover):**

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Cotton; Cotton melange; Synthetic and Synthetic Blended yarns	Manufacturer & Trading	79.09
2	Recycled Polyester Staple Fibre	Manufacturer	11.76
3	Weaving Fabrics - Home Textiles	Manufacturer	4.77
4	Knitted Fabrics - Cotton & Synthetics	Manufacturer	1.14

17. Products / Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Preparation and spinning of man-made fibre including blended man-made fibre	13114	58.49
2	Preparation and spinning of cotton fibre including blended cotton	13111	28.14
3	Recycled Polyester Staple Fibre	20302	13.37

III. Operations

18. Number of locations where plants and / or operations / offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	5	8	13
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	11
International (No. of Countries)	63

b. What is the contribution of exports as a percentage of the total turnover of the entity?

35.65%

c. A brief on types of customers

The Company is present in two major yarn segments i.e. Cotton Melange and Synthetic Dyed Yarn. Cotton Melange Yarn is mostly marketed and sold to garment exporters for end use in knitting fabric, while the PV-dyed yarn is used for manufacturing suiting fabric. 100% Poly Dyed Yarn is used for sweater making and PA Dyed Yarn is used for dress material and saree manufacturing. Home Textile products i.e. upholstery and curtains are sold in the B2B and B2C segments.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1	Permanent (D)	1,412	1,351	95.68%	61	4.32%
2	Other than Permanent (E)	103	100	97.09%	3	2.91%
3	Total Employees (D + E)	1,515	1,451	95.78%	64	4.22%
	Workers					
1	Permanent (F)	10,898	8,922	81.87%	1,976	18.13%
2	Other than Permanent (G)	2,753	2,151	78.13%	602	21.87%
3	Total Workers (F + G)	13,651	11,073	81.11%	2,578	18.89%

b. Differently Abled Employees and Workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently Abled Employees					
1	Permanent (D)	1	1	100.00%	0	0.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	Total Differently Abled Employees (D + E)	1	1	100.00%	0	0.00%
	Differently Abled Workers					
1	Permanent (F)	40	40	100.00%	0	0.00%
2	Other than Permanent (G)	11	10	90.91%	1	9.09%
3	Total Differently Abled Workers (F + G)	51	50	98.04%	1	1.96%

21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	2	25.00%
Key Management Personnel	3	0	0.00%

22. Turnover rate for permanent employees and workers:

Particulars	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.87	20.69	26.62	22.60	24.00	22.65	19.59	3.41	19.4
Permanent Workers	47.29	39.91	45.94	43.69	19.33	39.48	51.07	22.2	46.17

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures:

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sutlej Holdings, Inc.	Subsidiary	100	No
2	American Silk Mills, LLC	Step down subsidiary	100	No

VI. CSR Details

24. Provide the following CSR details:

i) Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes

ii) Turnover (in Rs.) - 26,64,97,40,868/-

iii) Net worth (in Rs.) - 8,94,10,34,258/-

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. The link can be accessed at: https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/GrievanceRedressalPolicy.pdf	6	0	All complaints have been attended to and resolved satisfactorily	21	0	All complaints have been attended to and resolved satisfactorily
Investors (other than Shareholders)		0	0	Nil	0	0	Nil
Shareholders		0	0	Nil	0	0	Nil
Employees and Workers		0	0	Nil	0	0	Nil
Customers		488	0	All complaints have been attended to and resolved satisfactorily	398	0	All complaints have been attended to and resolved satisfactorily
Value Chain Partners		0	0	Nil	0	0	Nil

Note: After a thorough evaluation, we are restating our previous year's figures for the number of complaints received from the communities.

26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Greenhouse Gas Emissions & Energy Management	Risk	With the manufacturing process being an energy-intensive operation, the organization mostly relies on fossil fuel-based energy sources. This reliance results in greenhouse gas emissions.	We are continuously looking at ways to adopt renewable sources of energy. Our unit in Bhawanimandi has already implemented solar energy, and is utilizing wood chips as a substitute for coal. In all units, energy audits are regularly done, as well as older equipment is replaced with more energy-efficient ones.	Negative
		Opportunity	We have embraced lowering our environmental and carbon footprint as part of our mission. The Company continuously reviews its process and manufacturing practices, and embraces newer technologies. These initiatives have also resulted in significant cost savings. We prepare an Energy Conservation Plan every year in order to bring down the energy expenditure, and subsequently lower the cost of production. This year also we have undertaken several energy saving initiatives to reduce our electricity consumption by 14,835 kWh/day, and our fuel consumption by 15 Tonne/day.	-	Positive
2	Water Management	Risk	Water is a key part of the textile business, with every step in the manufacturing process being water intensive. Thus water scarcity is a risk that can significantly affect business continuity and profits.	We mitigate this risk by conducting awareness programmes and installing efficient technologies. We aim to recycle as much waste water as possible. We currently have two fully operational Zero Liquid Discharge Plants, which have 90% water recovery. We have rain water harvesting facilities at all our plant locations. We have implemented two significant water conservation projects, which collectively save around 65 KL of water daily (60 KL condensate + 5 KL hot water).	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
3	Waste Management	Risk	Due to the use of dyes and various chemicals, improper waste management practices can have a damaging effect on the environment, as well as have a regulatory impact on the business.	The Company has a waste management policy based on the 5 R's, and SOPs that are adhered to at all of its locations. Proper waste segregation practices are carried out, with an emphasis on reclamation rather than disposal. Majority of our waste is sold for reuse and recycling purposes. We ensure that the dyes and chemicals in dye house are Azo free, NPEO and APEO phenyls, formaldehyde free (Oeko-Tex and GOTS certified).	Negative
4	Raw Material Sourcing	Risk	Fluctuations in raw material availability due to irregular weather patterns or plant disease can affect the production of cotton impacting cost of raw materials.	The Company has a diversified range of products which are made from plant material as well as polyester based, thus reducing its risk. In addition, the Company has also developed a backward integration process for the manufacture of Polyester Fibre by recycling waste PET bottles (green fibre). Our manufacturing unit in Baddi is dedicated to manufacturing green fibre, which has a capacity of 120 MT/ day.	Negative
5	Diversity, Equity & Inclusion (DEI)	Opportunity	The Company is committed to promoting diversity and inclusion in the workplace to create a harmonious workplace for all employees. Promoting DEI in the workplace leads to better employee engagement which not only enhances productivity and reduces attrition, but also allows the Company to access a wider talent pool.	-	Positive
6	Employee Well Being	Opportunity	One of the top HR priorities at Sutlej is to protect the well-being of its employees as well as their families. The Company conducts several health and wellness programmes for its employees on a periodic basis.	-	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
7	Training & Development	Opportunity	Providing training and development opportunities to our workforce increases employee engagement, creates a richer workplace, and empowers employees to take on initiatives to strengthen the business. Sutlej has been investing in formal, informal as well as on the job training for its employees, which has led to increased efficiency and retention as well.	-	Positive
8	Occupational Health & Safety	Risk	Due to the nature of the business, stringent protocols and processes for health and safety need to be in place, otherwise this could lead to injuries and incidents, as well as legal issues.	We strictly adhere to the recommended health and safety protocols. In addition, we conduct regular safety and awareness training for our employees and workers, as well as organise occupational medical health tests for them. Periodic checks of equipment are carried out and detailed logs are maintained.	Negative
9	Community Relations & Engagement	Opportunity	Sutlej is committed to being a socially responsible Company, and CSR is a core part of our business strategy. Our aim is to create a sustainable way of life for everyone, and provide holistic development opportunities for the communities where we work. We support several projects in the domain of education, health and sanitation, rural development, animal welfare, sports, etc.	-	Positive
10	Product Safety & Quality	Opportunity	We pride ourselves in producing high quality products, and are constantly ideating and innovating to improve the product. Adhering to strict standards of quality management sets us as a primary choice for both national and international customers.	-	Positive
11	Supply Chain Management	Risk	Textile companies often have complex and fragmented supply chains which can often be prone to disruptions. In addition, not following ethical and sustainable practices can lead to reputational risks as well as financial loss.	We have robust and transparent supply chain management practices where we conduct proper due diligence to identify risks and vulnerabilities. In addition, we are strongly focused on sustainable and ethical procurement, and are accredited with international standards to ensure that our supply chain management practices are in line with global standards.	Negative

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
	b. Has the policy been approved by the Board? (Yes/ No)	Yes								
	c. Web Link of the Policies, if available.	http://sutlejtextiles.com/pdf/Policies%20&%20Codes/Business-Responsibility-Policy.pdf								
2.	Whether the entity has translated the policy into procedures. (Yes/ No)	Yes								
3.	Do the enlisted policies extend to your value chain partners? (Yes/ No)	No								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	Our production locations hold a number of certifications with respect to their procurement practices. As an organization, Sutlej holds the OEKO-TEX® Standard 100 as well as the Global Organic Textile Standard (GOTS) Version 6.0, OCS-IN (Organic Content Standard) Version 3.0, Global Recycled Standard (GRS) Version 4.0 and the Recycled Claim Standard (RCS) Version 2.0.	We are SA8000:2014 certified by BSI for our Social Accountability Management System. In addition, Chenab Textile Mills, Birla Textile Mills as well as our Sutlej Green Fibre locations are all ISO 45001:2018 certified.	-	We are SA8000:2014 certified by BSI for our Social Accountability Management System. In addition, Chenab Textile Mills, Birla Textile Mills as well as our Sutlej Green Fibre locations are all ISO 45001:2018 certified.	Sustainability is embedded in our organization's DNA and business model. As an organization, Sutlej holds the OEKO-TEX® Standard 100 as well as the Global Organic Textile Standard (GOTS) Version 6.0, OCS-IN (Organic Content Standard) Version 3.0, Global Recycled Standard (GRS) Version 4.0 and the Recycled Claim Standard (RCS) Version 2.0.	-	Our CSR activities and disclosures are in line with Section 135 of the Companies Act, 2013.	We are ISO 9001 certified to ensure top quality products for our customers. Our Kathua location also holds the Usterized license as well.

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
			Chenab Textile Mills, Birla Textile Mills and Sutlej Green Fibre units also hold ISO 14001: 2015. Our Chenab Textile Mills also holds the USTERIZED certificate. Birla Textile Mills also holds the Fairtrade FLORCERT certification, as well as the IS 17625:2023. and the Regenagri Content Standard Version 2.2. In addition, we ensure that the cotton procured is as per international standards such as the BCI (Better Cotton Initiative). Damanganga Home Textiles is SMETA certified.	Our Chenab Textile Mills unit also has the Amfori BSCI Certification. Rajasthan Textile Mills has also received A in the social audit conducted by Inditex. Damanganga Home Textiles is SMETA certified.		Our Chenab Textile Mills unit also has the Amfori BSCI Certification. Rajasthan Textile Mills has also received A in the social audit conducted by Inditex. Damanganga Home Textiles is SMETA certified.	Chenab Textile Mills, Birla Textile Mills and Sutlej Green Fibre units also hold is ISO 14001: 2015. Birla Textile Mills also holds the Fairtrade FLORCERT certification, as well as the IS 17625:2023 and the Regenagri Content Standard Version 2.2. It is also ISO 50001:2018 certified. In addition, we ensure that the cotton procured is as per international standards such as the BCI (Better Cotton Initiative). Damanganga Home Textiles is SMETA certified.			
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	A Materiality Assessment was done to identify our materials topics, following which our current performance and gaps were identified. We are currently in the process of identifying organization wide commitments and targets to be set. However, some of our individual units have developed several targets to reduce emissions by greater utilization of renewable electricity via solar power, and renewable fuel sources such as wooden chips and husks in place of coal.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Following the identification of organization-wide targets, structured processes and task frameworks will be instituted to systematically monitor performance. Progress made by individual units toward these targets will be closely evaluated to ensure alignment with the broader strategic objectives.								

	Governance, leadership and oversight	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).	Dear Stakeholders, This year marked a significant milestone in our ESG journey at Sutlej Textiles. Building upon the foundation laid in previous years, we undertook a comprehensive ESG current state and gap assessment across our operations. This exercise, conducted with active participation from our units, is now guiding the development of a structured ESG roadmap - complete with actionable pathways and measurable targets. Our progress this year has been both tangible and impactful. Our commitment to circularity continues to remain strong, particularly when it comes to our water management. We continue to maintain Zero Liquid Discharge (ZLD) at our Damanganga and Bhawanimandi units - significantly contributing to sustainable water use and minimization of environmental discharge. In addition, our unit in Kathua is also undertaking recycling water initiatives. In FY 2024-25, through our ETPs and ZLDs, 47.65% of fresh water withdrawn has been recycled for reutilization in our units. On the renewable energy front, we are actively working on increasing our solar energy capacity, and also on reducing reliance on coal by substitution with biofuels.								

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		On the social front, workplace safety remains a cornerstone of our operations. Further, training coverage on human rights issues and policies rose from 71.07% to 87.54% among employees and workers, reinforcing our culture to ensure dignity, equity and fair treatment across all levels of the organization. We have also made meaningful strides in responsible sourcing, with 35.24% of our inputs now sustainably sourced, and we continue to prioritize sustainability across our value chain. Our operational units maintain internal targets across water, energy, and waste management, and we consistently monitor performance against these benchmarks. To the maximum extent possible, waste is either reused, recycled, or co-processed, in line with our circularity goals. While we celebrate these achievements, we recognize the challenges ahead: intensifying climate impacts, evolving regulatory landscapes, and increasing stakeholder expectations. These challenges, however, present opportunities to innovate, collaborate, and lead. Our forward strategy emphasizes climate resilience, renewable energy transition, and embracing innovation to enhance circularity in our manufacturing process. Guided by our core values, we remain committed to addressing material ESG issues proactively turning challenges into opportunities and setting higher benchmarks that reflect both our aspirations and responsibilities. We thank our stakeholders for their continued partnership in this journey toward a more sustainable and equitable future.								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Corporate Social Responsibility Committee of the Board. 1. Smt. Sonu Bhasin, Chairperson (DIN 02872234); 2. Shri Rohit Dhoot, Member (DIN 00016856); 3. Shri Sameer Kaji, Member (DIN 00172458); and 4. Ms. Deepa Kapoor, Member (DIN 06828033)								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Corporate Social Responsibility Committee of the Board.								

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee.

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Management Team updates the Wholetime Director									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Corporate Social Responsibility Committee									Annually								

11. **Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

Sr. no	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	No								

12. **If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated.**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	3	Principles 4 to 6 of National Guidelines on Responsible Business Conduct (NGRBC). These trainings are intended to provide a deeper understanding of the principles to equip the Board to effectively steer our organization towards a culture of ethical and responsible business practices, ensuring informed decision-making that safeguards our operations and shapes a sustainable future for the business.	100%
Key Managerial Personnel	6	Our training program encompasses a comprehensive range of crucial topics, including the principles outlined in the National Guidelines on Responsible Business Conduct (NGRBC), ESG global trends, internal control, key developments, sustainability initiatives, regulatory updates and review of policy and procedures, as well as policy frameworks concerning occupational health and safety, water management, waste management, and product quality and safety. By prioritizing training in these key domains, we fortify our organizational resilience, foster a culture of accountability, and uphold our commitment to ethical and responsible business practices.	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	275	The training curriculum covers a wide range of topics including health and safety, fire safety, PPE usage, chemical handling, machine guarding, and environmental protection. Programs on quality systems such as ISO, GOTS, and GRS are included alongside operational skills like loom mechanisms, yarn techniques, and waste reduction. Employees are also trained in soft skills including time management, teamwork, communication, leadership, and emotional intelligence. Committee-based sensitizations such as POSH, grievance redressal, safety, and canteen committees ensure employee welfare and inclusivity. In addition, motivational sessions and development programs aim to build a productive work culture rooted in discipline and continuous improvement. These initiatives are designed not only to boost technical competence but also to instil a sense of accountability, collaboration, and workplace harmony.	58.42%
Workers	909	Our training programs for our workers prioritizes workplace safety with dedicated Health, Safety & Environment modules covering fire safety, emergency preparedness, chemical handling, and environmental protection. Core values and ethics training establishes a strong foundation through anti-corruption, human rights, and behavior-based learning. Industrial and operational training focuses on productivity enhancement, quality control, and waste minimization, while specialized textile and technical modules cover fabric technology, machinery operations, and industry standards like GOTS and GRS. The welfare components address social security, grievance redressal, and harassment prevention through structured committee systems. Additional training covers company orientation, health hygiene, ERP systems, and energy conservation. This well-structured program effectively balances regulatory compliance, technical competency development, safety culture, and creating a skilled workforce aligned with organizational values and industry best practices.	76.17%

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary

Category	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary

Category	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-	
Punishment	-	-	-	-	

3. **Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.**

Sr. No.	Case Details	Name of the regulatory / enforcement agencies / judicial institutions
1	-	-

4 **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, Sutlej Textiles has a zero-tolerance policy for bribery and corruption in any form at all levels and dealings. We believe in conducting our business with integrity, responsibility, transparency and honesty. Anti-bribery and Anti-corruption policies are part of our Code of Conduct which inter alia provides guidance on ethical conduct and fair dealing in our business practices. The Code of Conduct can be accessed through the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Code%20of%20Conduct.pdf

5. **Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**

Category	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

Category	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable, as we do not have any instances of corruption / conflicts of interest against Directors and KMPs.

8. **Number of days of accounts payables (Accounts payable*365) / Cost of goods/services procured) in the following format:**

Particulars	FY 2024-25	FY 2023-24
Number of days of accounts payables	26	26

9. **Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter		Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	19.553%	22.00%
	b.	Number of trading houses where purchases are made from	14	2
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	19.552%	22.00%
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	-	-
	b.	Number of dealers / distributors to whom sales are made	-	-
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	0	0
	b.	Sales (Sales to related parties / Total Sales)	0.12%	0.09%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	0
	d.	Investments (Investments in related parties / Total Investments made)	100%	100%

Remarks: For purchases from Trading Houses, we have considered vendors who are certified as Export Houses by the Directorate General of Foreign Trade.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Category	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	0%	0%	-
Capex	12.32%	15.56%	During FY 2024-25, Sutlej implemented a series of energy conservation initiatives that significantly contributed to reducing its environmental footprint while enhancing operational efficiency. In the Spinning division, the installation of 21 energy-efficient IE3 motors, AC drives with transducers, and PPPPU units led to notable reductions in electricity consumption. Additionally, the replacement of outdated compressors and low-efficiency ceiling fans with energy-saving alternatives, along with targeted actions to reduce compressed air leakage, resulted in substantial energy savings and lower greenhouse gas (GHG) emissions. In the Home Textiles division, a comprehensive energy audit was conducted, followed by the installation of a high-capacity PPPPU pump. These measures are expected to yield considerable environmental benefits by reducing daily coal consumption by 15 metric tonnes and recovering 60 kilolitres of condensate water per day, thereby lowering resource usage and associated emissions. The initiatives undertaken across our operations including equipment upgrades, process optimizations, and replacements are expected to result in a cumulative energy saving of 14,835 kwh per day.

2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

2.b. If yes, what percentage of inputs were sourced sustainably?

35.24%. For our Green Fibre Unit, 80.74% inputs are sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life for the following:

Category	Description
(a) Plastics (including packaging)	As a yarn and textile manufacturer, we do not have processes in place to reclaim our products for reusing, recycling, and disposing at the end of life. However, we have robust waste management processes which are aimed at maximum recovery of generated waste. These processes are further detailed in Principle 6.
(b) E-waste	
(c) Hazardous waste	
(d) Other waste	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, this does not apply to us. However, our Sutlej Green Fibre Unit in Himachal Pradesh is registered on CPCB's PWP portal as recyclers, wherein they sell EPR credits to PIBOs.

Leadership Indicators

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Sr. No.	Indicate input material	Recycled or re-used input material to total material	
		FY2024-25	FY2023-24
1	PSF Recycle	26.66%	18.33%
2	ASF Recycle	0.00%	0.35%
3	Cotton Recycle	0.31%	0.05%
4	Recycled Nylon Fibre	0.00%	0.05%
5	Pet Bottles	59.23%	74.40%
6	RM Flakes	1.27%	0.00%
7	PET Popcorn	15.86%	22.89%
8	PET Chips+Sheet	4.38%	2.71%

Remarks: The numbers from last year have been further bifurcated and categorized, leading to a change in the percentages for FY 23-24.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1.a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1,351	736	54.48	1,091	80.75	0	0.00	0	0.00	1,260	93.26
Female	61	39	63.93	47	77.05	61	100.00	0	0.00	20	32.79
Total	**1,412**	**775**	**54.89**	**1,138**	**80.59**	**61**	**100.00**	**0**	**0.00**	**1,280**	**90.65**
Other than Permanent Employees											
Male	100	100	100	99	99.00	0	0.00	0	0.00	100	100.00
Female	3	3	100	3	100.00	3	100.00	0	0.00	3	100.00
Total	**103**	**103**	**100**	**102**	**99.03**	**3**	**100.00**	**0**	**0.00**	**103**	**100.00**

1.b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	8,922	8,914	99.91	8,922	100.00	0	0.00	0	0.00	8,922	100.00
Female	1,976	1,976	100.00	1,976	100.00	1,976	100.00	0	0.00	1,976	100.00
Total	**10,898**	**10,890**	**99.93**	**10,898**	**100.00**	**1,976**	**100.00**	**0**	**0.00**	**10,898**	**100.00**
Other than permanent Workers											
Male	2,151	2,151	100.00	2,151	100.00	0	0.00	0	0.00	2,151	100.00
Female	602	602	100.00	602	100.00	602	100.00	0	0.00	602	100.00
Total	**2,753**	**2,753**	**100.00**	**2,753**	**100.00**	**2,753**	**100.00**	**0**	**0.00**	**2,753**	**100.00**

1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	FY 2024-25	FY 2023-24
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.04%	0.03%

Note: The figures reported for the previous year have been restated to align with the revised definition of "well-being measures" as per the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core released in December 2024.

2. **Details of retirement benefits, for current and previous financial year:**

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	No	100%	100%	No
ESI	100%	100%	Yes	100%	100%	Yes

Note: For PF and Gratuity, the reporting has been done for our permanent employees and workers. For ESI, 100% of eligible employees and workers are covered. The Company has Gratuity trusts that manage the obligations under Payment of Gratuity Act.

3. **Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes. Sutlej believes in safe and secure working environment for all individuals. The entity's premises are accessible as per the requirements of the Rights of Persons with Disabilities Act, 2016, and are equipped with lifts, ramps and adequate slopes to enable easy movement to differently-abled persons.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. The Policy can be accessed through the web link: https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/EqualOpportunityPolicy.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave:**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	40.91%	30.43%
Total	NA	NA	40.91%	30.43%

Remark : During the FY 24-25, none of the employees took maternity leave. Only permanent female workers have gone on maternity leave.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes - Grievance Redressal Committees have been constituted. In addition, procedures are in place for redressal of grievances which include discussions with IR officers, redressal committees, etc.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2024-25			FY2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No.of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,412	0	0.00	1,438	0	0.00
Male	1,351	0	0.00	1,390	0	0.00
Female	61	0	0.00	48	0	0.00
Total Permanent Workers	10,898	8,726	80.07	11,461	9,305	81.19
Male	8,922	6,952	77.92	9,344	7,380	78.98
Female	1,976	1,774	89.78	2,117	1,925	90.93

8. Details of training given to employees and workers:

Category	FY2024-25					FY2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
					Employees					
Male	1,451	978	67.40	801	55.20	1,495	1,098	73.44	1,141	76.32
Female	64	38	59.38	40	62.50	52	38	73.08	46	88.46
Total	**1,515**	**1,016**	**67.06**	**841**	**55.51**	**1,547**	**1,136**	**73.43**	**1,187**	**76.73**
					Workers					
Male	11,073	8,446	76.28	6,342	57.27	11,635	9,078	78.02	9,948	85.50
Female	2,578	2,017	78.24	1,401	54.34	2,800	2,387	85.25	2,078	74.21
Total	**13,651**	**10,463**	**76.65**	**7,743**	**56.72**	**14,435**	**11,465**	**79.43**	**12,026**	**83.31**

9. Details of performance and career development reviews of employees and workers:

Category	FY2024-25			FY2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
			Employees			
Male	1,451	1,250	86.15	1,495	1,420	94.98
Female	64	51	79.69	52	49	94.23
Total	**1,515**	**1,301**	**85.87**	**1,547**	**1,469**	**94.96**
			Workers			
Male	11,073	9,232	83.37	11,635	5,256	45.17
Female	2,578	1,970	76.42	2,800	1,188	42.43
Total	**13,651**	**11,202**	**82.06**	**14,435**	**6,444**	**44.64**

Remark: During the year, we strengthened our review mechanisms, expanded the coverage to include a wider group of workers.

10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, an Occupational Health and Safety Management System has been implemented, and the same extends to the entire organization. Three of our units also have ISO 45001:2018 (OHSAS) certifications.

10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Sutlej employs several structured processes to identify work-related hazards and assess risks on both routine and non-routine basis. These include:

1. Hazard Identification and Risk Assessment (HIRA): A system established to assess hazardous and risky tasks, carried out at both work and floor levels. It involves periodic evaluations of operations to determine risk levels associated with identified hazards and recommend control measures.
2. Job Safety Analysis (JSA) / Job Hazard Analysis (JHA): Conducted before initiating any task, especially non-routine or high-risk activities, to identify potential hazards and implement control measures.
3. Daily Safety Inspections and HSE Patrols: Regular inspections to identify unsafe conditions or practices in the workplace.
4. Permit to Work (PTW) System: Required for non-routine tasks such as hot work, confined space entry, and work at height. This system ensures thorough hazard identification and risk control measures are in place before work begins.
5. Employee Reporting and Near Miss Analysis: Encourages workers to report hazards and near misses, which are then analyzed to prevent future incidents.
6. Change Management Process: Any change in equipment, process, or layout undergoes review to assess new risks before implementation.
7. Training and Awareness Programs: Regular safety training sessions help workers identify hazards and take preventive actions effectively.

Additionally, the installation of SOP boards helps prevent hazardous tasks, supplemented by the use of personal protective equipment as per the respective tasks. These processes collectively ensure our organization's thorough approach to managing work-related hazards and risks effectively.

10.c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, to ensure that all potential hazards are promptly addressed, we have well-established procedures for workers to report any work-related concerns they may encounter. This reporting process is designed to be accessible and straightforward, encouraging open communication about safety issues. These include Safety Committee meetings on a quarterly basis with the sharing of subsequent reports and recording formal minutes of meetings, conducting Health and Safety Internal Audits, along with near misses, unsafe conditions, unsafe work, and safety suggestion reporting system for workers. In addition, the Daily Inspection Report is shared on WhatsApp groups that have been formed in each unit for safety. Workers also form a part of our Safety Committees.

10.d. Do the employees / worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.30	0
	Workers	1.05	0.85
Total recordable work-related injuries	Employees	1	0
	Workers	25	25
No. of fatalities	Employees	0	0
	Workers	1	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Number of Permanent Disabilities	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company employs a wide variety of measures to establish a safe and healthy workplace. Routine health and safety trainings are conducted, and new employees go through an induction training program to learn basic safety guidelines.

1. Essential facilities such as a canteens and restrooms have been set up for employee use, in addition to first aid treatment dispensaries and 24/7 ambulance service. Safety measures against fires include on-site fire-fighting equipment, emergency exits, and sprinkler systems.
2. Key steps have been taken towards preventing occupational hazards and improving overall workplace safety, including formation of health and safety committees, regular internal safety audits, and implementation of work permit systems for particularly risky operations.
3. The Company has placed strong emphasis on emergency preparedness through regular checks of emergency equipment and pathways, and the establishment of designated assembly points for employees during emergencies. Daily equipment checks are conducted, with special focus given to machine guarding and electrical panels to ensure they are functioning properly and pose no threat to employee safety.
4. Regular meetings with department heads are conducted to discuss and remedy potential safety risks identified within the workplace.
5. The Company also has standardized safe work systems such as the "Permit to Work" and "Log Out Tag Out" systems, alongside material safety data sheets and checklists. Regular health and safety audits, fire drills, and training programs are conducted, along with the inspection of machinery to identify and swiftly address potential safety hazards. Occupational Medical Health tests are given to monitor potential occupational hazards, alongside the provision of Personal Protection Equipment (PPE) to employees and awareness initiatives regarding their usage.
6. The Company also maintains a strict system of reporting and investigating incidents to ensure that similar events can be avoided in the future.

13. Number of Complaints on the following made by employees and workers:

Category	FY2024-25			FY2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working Conditions	100%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Internal and external assessments on different parameters help the Company streamline its processes wherever required. All recordable incidents are investigated to identify the root causes and corrective measures are implemented to avoid repeat incidents. We ensure closure of all gaps identified during internal and external audits / assessments in a timely manner. Various corrective actions have been taken such as installing machine safety devices, safety interlocking systems, Zero RPM Machine Door Locking, fixed and removable machine safety guards, provision of toe guards, eye showers, relocation of machines and material lines for better fire safety, installation of sensors, anti-skid tapes, emergency stop switches, performing hazard identification and preventive measures, trainings, safety instruction boards and providing health check-ups for workers.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity:**

Sutlej continuously engages with its internal and external stakeholders through various processes and identifies the key stakeholder groups on the basis of importance, dependency and ability to influence the business.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	Newsletters, meetings	Quarterly and continuous	Feedback, product launches, information on products, timely delivery, service level.
2	Our People	No	Townhalls with leadership team, in-house magazines, training, induction programmes and performance appraisal	Continuous	Update on developments within the Company and industry, career development, health and safety, skill upgradation, learning and development and grievance redressal.

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
3	Investors / shareholders	No	Conference calls, meetings, stock exchange updates, notices and intimations, Annual Report, website, etc.	Quarterly and continuous	Investors engage with the management of the Company through earnings calls every quarter wherein they are briefed on the performance and business strategy. Dedicated email IDs facilitates engagement of the shareholders with the Investor Relations department. Shareholders communicate directly with the Board of Directors and the Management at the Annual General Meetings.
4	Suppliers / Contractors	No	Phone, email, meetings, etc.	Continuous	Supply chain management and addressing concerns, if any.
5	Community	Yes	CSR initiatives at all locations	Continuous	Addressing community needs, access to quality education and healthcare requirements.
6	Government and regulators	No	Need basis participation in industry level consultation groups, participation in forums	Continuous	Compliance, sustainable practices, inclusive growth.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY2024-25			FY2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	1,412	1,245	88.17	1,438	1,019	70.86
Other than permanent	103	81	78.64	109	89	81.65
Total Employees	**1,515**	**1,326**	**87.52**	**1,547**	**1,108**	**71.62**
Workers						
Permanent	10,898	9,739	89.37	11,461	8,826	77.01
Other than permanent	2,753	2,212	80.35	2,974	1,426	47.95
Total Workers	**13,651**	**11,951**	**87.55**	**14,435**	**10,252**	**71.02**

2. Details of minimum wages paid to employees, in the following format:

Category	FY2024-25					FY2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
					Employees					
Permanent	1,412	0	0.00	1,412	100.00	1,438	0	0.00	1,438	100.00
Male	1,351	0	0.00	1,351	100.00	1,390	0	0.00	1,390	100.00
Female	61	0	0.00	61	100.00	48	0	0.00	48	100.00
Other than Permanent	103	0	0.00	103	100.00	109	0	0.00	109	100.00
Male	100	0	0.00	100	100.00	105	0	0.00	105	100.00
Female	3	0	0.00	3	100.00	4	0	0.00	4	100.00
					Workers					
Permanent	10,898	1,684	15.45	9,214	84.55	11,461	1,727	15.07	9,734	84.93
Male	8,922	1,460	16.36	7,462	83.64	9,344	1,503	16.09	7,841	83.91
Female	1,976	224	11.34	1,752	88.66	2,117	224	10.58	1,893	89.42
Other than Permanent	2,753	1,603	58.23	1,150	41.77	2,974	1,453	48.86	1,521	51.14
Male	2,151	1,284	59.69	867	40.31	2,291	1,096	47.84	1,195	52.16
Female	602	319	52.99	283	47.01	683	357	52.27	326	47.73

3. a. Details of remuneration / salary / wages, in the following format: Median remuneration / wages:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	6	0	2	0
Key Managerial Personnel (KMP)	3	1,21,68,452	0	0
Employees other than BoD and KMP	1,449	4,53,022	64	5,32,410
Workers	11,073	2,04,525	2,578	1,33,490

Note: The figures reported for the previous year have been restated to align with the revised definition of "wages" as per the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core released in December 2024.

For the purposes of calculation of median remuneration, only those employees and workers have been considered who have worked in the Company for entire financial year 2024-25.

3. b. Provide information on gross wages paid to females by the entity, in the following format:

Particulars	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	12.59%	13.64%

Note: The figures reported for the previous year have been restated to align with the revised definition of "wages" as per the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core released in December 2024.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**
   Yes. All units are committed towards protection of such rights by creating a safe and healthy working environment for all their employees and workers. There are designated committees at the unit level to address human rights impact and issues related to the business operations.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**
   We are committed to providing an inclusive environment, where people are treated with dignity and respect with documented Grievance Redressal Policy and Human Rights Policy. Grievance Redressal Committee addresses any human rights grievances in a fair, timely and consistent manner. Works and ICC / SPT Committees are organized periodically to address any issues. Regular meetings with employees and workers are held to discuss any grievances they may have, and the importance of statutory mechanisms to redress them is also highlighted.

6. **Number of Complaints on the following made by employees and workers:**

	FY2024-25			FY2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**
   The Company believes in providing a safe, non-hostile and harassment-free work environment at all its workplaces. There are several mechanisms in place to ensure the protection of the complainant in discrimination and harassment cases. These include privacy protection, independent investigations, access to support services, and interim measures. The aim of these mechanisms is to ensure that the complainant does not face any form of retaliation, punishment, or emotional distress. Additionally, alternative dispute resolution, training and awareness, and legal protections also play an important role. Our policies provide a work environment that ensures every person at the workplace is treated with respect and dignity and is accorded equal treatment. We have formulated and implemented a Whistle-blower Policy, Prevention of Sexual Harassment (POSH) Policy, and Human Rights Policy to effectively prevent adverse consequences in discrimination and harassment cases. All of these are designed to provide a safe environment to all employees and workers.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**
   Yes

10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100.00
Forced/involuntary labour	100.00
Sexual harassment	100.00
Discrimination at workplace	100.00
Wages	100.00

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

No corrective actions have been taken as no significant risks or concerns have arisen from the assessments.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption in GigaJoules (GJ), in the following format:**

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	13,903.20	13,914.00
Total fuel consumption (B)	1,245.46	47,955.37
Energy consumption through other sources (C)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	15,148.66	61,869.37
From non-renewable sources		
Total electricity consumption (D)	16,23,762.00	15,73,848.00
Total fuel consumption (E)	12,58,193.795	11,30,902.39
Energy consumption through other sources (F)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	28,81,955.79	27,04,750.39
Total energy consumed (A+B+C+D+E+F)	28,97,104.45	27,66,619.76
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1,096.40 GJ / Crore	1,035.52 GJ / Crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	22,651.72 GJ / $ Crore	23,196.28 GJ / $ Crore
Energy intensity in terms of physical output	29.20 GJ / Tonnes	27.98 GJ / Tonnes

Indicate if any independent assessment / evaluation / assurance for energy has been conducted by an external agency. If Yes, provide the name of the agency:

Independent third-party energy audits have been conducted across our manufacturing locations to enhance energy efficiency and identify potential savings. In 2025, Voltas conducted the scheduled audit at our Kathua unit. Energy Audit Services carried out assessments at our Baddi units, while M/s Recon Energy Consultancy (Udaipur) conducted audits at both our Damanganga and Bhawanimandi units.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Yes. Four of our sites are identified as DCs under the PAT Scheme, and have constantly been achieving the targets set under the PAT scheme. In addition, we are also mentioning:

   Bhawanimandi Unit: The target received from BEE under the PAT scheme SEC is reduction by 1.8623 to 1.7655 FY 2022-23 to FY 2024-25, but the compliance will be completed in June 2025. For the same the unit is undertaking various energy conservation steps taken like energy efficient motors replacement, VFD installation, use of wood chips in boiler, compressed air leakage arresting, etc.

   Kathua Unit: As of now, the unit has submitted 3 years data of Energy, Power, Production, etc. (FY 2021-22, 2022-23, & 2023-24) to BEE.

   Damanganga Unit: The unit has set targets to achieve in 3 years as per guidelines of BEE for PAT Cycle (2023-26). For the same it has developed an action plan for 3 years.

   Baddi Unit: For PAT, their current target is 0.4960 TOE, with the assessment year being 2024-25. The assessment is currently being undertaken. The unit achieved the FY 22-23 target of 0.4871 TOE.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	4,00,889.00	4,31,259.00
(ii) Ground water	24,99,835.12	21,87,311.00
(iii) Third party water	0.00	0.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	29,00,724.12	26,18,570.00
Total volume of water consumption (in kilolitres)	14,56,484.12	11,42,927.00
Water intensity per rupee of turnover (Water consumed / turnover)	551.20KL / Crore	427.79KL / Crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	11,387.88 KL / $-Crore	9,582.69 KL / $-Crore
Water intensity in terms of physical output (Production in Tonnes)	14.68 KL / Tonnes	11.56 KL / Tonnes

   Remark: In the previous years, we have accounted for recycled water as part of our consumption value. However, in order to reflect industry trends, we are restating our water consumption values to account for consumption as per the water sources withdrawn for. In addition, the recycled water metrics are provided separately below:

   Total Recycled Water in FY 24-25: 13,82,421.7 KL

   Total Recycled Water in FY 23-24: 18,25,740 KL

3. **Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:**

   Yes. At the Kathua unit, the audit was conducted by Pioneer Quality Services, Mohali, while ABP Industries carried out the audit for BTM at our Baddi units. Greendash Environomical Solutions Pvt. Ltd. assessed the Bhawanimandi unit, and Eurofins conducted the audit at Damanganga. Additionally, Mukesh Kumar Garg, a Certified Water Auditor, performed an independent audit at our Green Fibre unit.

4. **Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)**

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0.00	0.00
- With treatment	N.A.	N.A.
(ii) To Groundwater		
- No treatment	0.00	0.00
- With treatment	N.A.	N.A.
(iii) To Seawater		
- No treatment	0.00	0.00
- With treatment	N.A.	N.A.
(iv) Sent to third-parties		
- No treatment	0.00	0.00
- With treatment	14,44,240.00 Primary and Secondary Treatment. The water is treated by the STPs and ETPs that are there in the units, and then sent to third parties	14,75,643.00 Primary and Secondary Treatment. The water is treated by the STPs and ETPs that are there in the units, and then sent to third parties
(v) Others		
- No treatment	0.00	0.00
- With treatment	N.A.	N.A.
Total water discharged (in kilolitres)	**14,44,240.00**	**14,75,643.00**

4. **Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**
Yes. At the Kathua unit, the audit was conducted by Pioneer Quality Services, Mohali, while ABP Industries carried out the audit for BTM at our Baddi units. Greendash Environomical Solutions Pvt. Ltd. assessed the Bhawanimandi unit, and Eurofins conducted the audit at Damanganga. Additionally, Mukesh Kumar Garg, a Certified Water Auditor, performed an independent audit at our Green Fibre unit.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**
Yes. In all of our units, there are initiatives to reuse water to the maximum extent possible in the manufacturing process as well as in other areas on site (such as for gardening, etc.). We have three fully operational ZLDs, with capacities of 1,150 KLD, 1,370 KLD, and 3,000 KLD. In addition, we also have Effluent Treatment Plants with varying capacities, in order to treat wastewater. Our Kathua unit also has a Sewage Treatment Plan working on MBR technology. In some units, the sewage water is also recycled and the treated water is used in process houses in boilers, humidification plants, wash lines, flushing of toilets, gardening, etc.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2024-2025	FY 2023-2024
NOx	mg/NM3	76.84	80.91
SOx	mg/NM3	21.00	26.10
Particulate matter (PM)	mg/NM3	76.45	76.27
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	mg/NM3	100.46	690
Others	-	-	-

Indicate if any independent assessment / evaluation / assurance for Air emissions has been conducted by an external agency. If Yes, provide the name of the agency.

Yes. At the Kathua unit, the audit was carried out by Sophisticated Industrial Material Analytic Labs Pvt. Ltd., while M/s Vibrant Techno Lab Pvt. Ltd. conducted the assessment at our Bhawanimandi unit. At our Baddi units, ambient air quality is monitored every four months by a NABL-accredited laboratory.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2) in MTCO2e, in the following format:**

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO_2e	1,22,042.49	1,09,789.75
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO_2e	3,22,948.22	3,10,397.8
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	TCO_2e / rupee of turnover	168.41 TCO_2e / Crore	157.27 TCO_2e / Crore
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TCO_2e / \$-Crore of revenue from operations	3,479.27 TCO_2e / \$ Crore	3,522.99 TCO_2e / \$ Crore
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO_2e / Metric Tonnes of Production	4.49 TCO_2e / Tonnes	4.25 TCO_2e / Tonnes

Indicate if any independent assessment / evaluation / assurance for GHG Emissions (Scope 1 and 2) has been conducted by an external agency. If Yes, provide the name of the agency.

Yes. At the Damanganga unit, the assessment was carried out by M/s Eco Envirotech Consultants and Engineers, while A-Z Energy Engineers Pvt. Ltd. conducted the evaluation at our Bhawanimandi unit.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Sutlej is committed to reducing the emissions that it produces during its manufacturing process, and utilizing renewable energy as well as undertaking energy efficiency initiatives to achieve this. The unit in Bhawanimandi has two rooftop solar plants with 2,171 kWp and 599 kWp capacity each, and also has a plan for increasing its solar power capacity. In addition, all units conduct technology upgrades, replacing older, less efficient equipment with equipment that is more energy efficient. Initiatives are also being taken to improve the efficiency of the boilers, as well as to reduce the energy losses occurring during the manufacturing process. All units have developed energy-saving targets to reduce the fuel and electricity consumption that form the bulk of Sutlej's Scope 1 and 2 emissions.

9 **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	6,435.73	5,396.94
E-waste (B)	3.74	2.50
Bio-medical waste (C)	1.05	0.00508
Construction and demolition waste (D)	24.00	24.00
Battery waste (E)	0.00	0.271
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	739.17	833.13
Other Non-hazardous waste generated (H). Please specify, if any.	12,470.24	13,991.71
Total (A + B + C + D + E + F + G + H)	19,673.93	20,248.56

Parameter	FY 2024-25	FY 2023-24
Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	**7.4456 MT / Crore**	7.5788 MT / Crore
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)	**153.8254 MT / $-Crore**	169.7707 MT / $-Crore
Waste intensity in terms of physical output (Production in Tonnes)	0.1983 MT / Tonnes	0.2048 MT / Tonnes
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Plastic		
(i) Recycled	379.83	5,189.30
(ii) Re-used	1,083.304	64.90
(iii) Other recovery operations	4,982.6	65.31
Total	6,445.734	5,319.51
Category of waste - E-waste		
(i) Recycled	3.74	0.97
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	1.53
Total	3.74	2.5
Category of waste - Bio-medical waste		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	0.00	0.00
Category of waste - Construction and Demolition waste		
(i) Recycled	0.00	0.00
(ii) Re-used	24.00	24.00
(iii) Other recovery operations	0.00	0.00
Total	24.00	24.00
Category of waste - Battery waste		
(i) Recycled	0.00	0.27
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	0.00	0.27
Category of waste - Radioactive waste		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
Total	0.00	0.00
Category of waste - Other Hazardous waste		
(i) Recycled	1,725.21	11.93
(ii) Re-used	300	0.00
(iii) Other recovery operations	167.28	212.17
Total	2,192.4	224.1
Category of waste - Other Non-Hazardous waste		
(i) Recycled	380.842	1,122.75
(ii) Re-used	136.00	405.14
(iii) Other recovery operations	11,248.01	10,421.73
Total	11,764.85	11,949.62
Total	**18,391.087**	**17,520.00**

Parameter	FY 2024-25	FY 2023-24
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Plastic		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	0.00	0.00
Category of waste - E-waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.25	0.00
Total	0.25	0.00
Category of waste - Bio-medical waste		
(i) Incineration	1.054636	0.00038
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.0047
Total	1.054636	0.00508
Category of waste - Construction and Demolition waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	0.00	0.00
Category of waste - Battery		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	0.00	0.00
Category of waste - Radioactive		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	0.00	0.00
Category of waste - Other Hazardous waste. Please specify, if any		
(i) Incineration	0.00	0.00
(ii) Landfilling	88.85	68.87
(iii) Other disposal operations	499.14	582.85
Total	587.99	651.72
Category of waste - Other Non-hazardous waste generated		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
Total	0.00	0.00
Total	**589.045**	**651.72**

Remark: The reuse of plastic has increased in line with higher production volumes. Consequently, plastic waste generation also rose, leading to a greater quantity of fused fibre. This fused fibre is subsequently processed, first burned to form popcorn-like material, which is then melted and reused in the production process.

Indicate if any independent assessment / evaluation / assurance for Waste has been conducted by an external agency. If Yes, provide the name of the agency:

Yes. At the Kathua unit, an environmental audit was carried out by Pioneer Quality Services, while the Bhawanimandi unit was assessed by Inditex. Additionally, our Baddi units are being monitored by the Himachal Pradesh State Pollution Control Board (HPPCB).

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes, and the practices adopted to manage such wastes.**

At Sutlej, we have a documented Waste Management Policy, and each unit has SOPs in place for proper segregation, reuse, recovery, and disposal of waste.

We are constantly trying to optimize our processes to reduce the amount of waste generated. Some of the practices are outlined below:

1. As much as possible, our waste, including plastic waste, packaging, hazardous waste, and e-waste, is sold to authorized vendors for safe reuse, recycling, or disposal.
2. For non-hazardous waste such as process waste (fibres, yarn residuals), old cables, bearings, pallis, other scraps, etc., are sold in the market for reuse and recycling. The process waste generated by Sutlej becomes raw material for making carpets.
3. For ETP Sludge, we are taking active measures to utilize volute dewatering press, driers, and chemicals to reduce the volume of sludge generated. In our Kathua and Damanganga units, the ETP sludge is sold off for co-processing in the cement industry. Our other units send the ETP Sludge to authorized agencies for further disposal. The same is done for other hazardous waste.
4. 60-100% boiler ash is recycled.
5. Sewage water is recycled and the treated water is used in process houses like boilers, humidification plants, flushing of toilets, gardening, etc. We have ZLDs and ETPs.
6. Chemical dispensers have been installed to reduce wastage.
7. To reduce the amount of e-waste, we are procuring equipment with longer battery life.
8. PPE is used for handling of chemicals.
9. Sedimentation processes are utilized to reduce TSS.
10. In our Baddi unit, high temperature effluents are collected in a collection tank, taking out its heat by passing through a heat recovery plant. This effluent is then taken out for treatment and while the treated water is sent to the CETP, the solid waste generated is sent to the TSDF.
11. Development of waste-related targets in the units: In order to reduce the usage of hazardous and toxic chemicals in our processes and products, we have documented SOPs to reduce hazardous and toxic chemicals.

All units utilize azo-free dyes in the dyeing process. In addition, our units are also undertaking activities such as replacement of sodium hydrosulphite with less hazardous chemicals and replacing quantities of caustic soda with other chemicals. We continuously optimize chemical doses and conduct trials of eco-friendly chemicals and other alternatives to hazardous chemicals.

11. **If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NA		

Remarks: The Company does not have operations or offices in and around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Sr. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	No EIAs were conducted during the period of reporting.					

13. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	NA			

Remarks: Yes, we are complying with all applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1.a. Number of affiliations with trade and industry chambers/ associations.

8

1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/ National/International)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Confederation of Indian Textile Industry (CITI)	
3	The Cotton Textiles Export Promotion Council (TEXPROCIL)	
4	Federation of Indian Export Organisations (FIEO)	
5	Manmade and Technical Textiles Export Promotion Council (MATEXIL)	
6	Indian Spinners' Association (ISA)	
7	IMC Chamber of Commerce and Industry	
8	British Safety Council (India)	

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Sr. No.	Name of authority	Brief of the case	Corrective action taken
	NA		

Remarks: During the year, there were no adverse orders from regulatory authorities relating to anti-competitive conduct.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Sr. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	NA					

Remarks: During FY 2024-25, we have not undertaken any projects that require Social Impact Assessments (SIA).

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In INR)
	NA					

Remarks: During FY 2024-25, we have not undertaken any projects that require Rehabilitation and Resettlement (R&R).

3. **Describe the mechanisms to receive and redress grievances of the community.**

We are committed to developing and supporting the communities around our manufacturing facilities by effectively receiving and redressing their grievances. Our engagement strategies include regular interactions between our staff and the local community through personal visits, participation in religious functions, and community surveys to understand and address their concerns actively. We have established a robust grievance mechanism to ensure complaints are duly investigated and acted upon by the respective departments. Furthermore, our involvement extends to being an active part of local committees constituted by the panchayat, where grievances are addressed quarterly, and collaborative efforts are made to resolve issues. Our commitment to social responsibility is demonstrated through various initiatives including CSR activities highlighting our dedication to the community's overall well-being and infrastructure development.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Category	FY 2024-25	FY 2023-24
Directly sourced from MSMEs / small producers	21.19%	15.79%
Sourced directly from within India	99.15%	92.99%

5. **Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)**

Location	FY 2024-25	FY 2023-24
Rural	7.21%	9.37%
Semi-urban	83.03%	80.35%
Urban	0.10%	0.03%
Metropolitan	9.66%	10.25%

Note: The figures reported for the previous year have been restated to align with the revised definition of "wages" as per the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core released in December 2024.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**
   Consumer complaints and feedback are managed through multiple mechanisms designed to ensure effective resolution and continuous improvement. Customers can submit their complaints and feedback via the Sutlej website, email, and online feedback forms and surveys. Complaints received are sent to the plant by the marketing team through email and SAP. Once a complaint is received, it is analyzed by the Quality Control (QC) department, which conducts a root cause analysis and devises corrective and preventive actions. The response from the QC department is communicated back to the customer through the marketing team. In order to handle grievances, a formalized complaint resolution process is followed. This includes documenting complaints, assigning them to relevant departments, and conducting follow-ups to ensure satisfactory resolution. Real-time resolution and personalized interaction are emphasized, and insights gathered from customer interactions are used to improve service quality and product development. Furthermore, the Sutlej customer service team conducts periodic surveys to gather additional feedback and take necessary actions for improving products and services. Regular training sessions for customer service representatives focus on empathy, efficiency, and solution-oriented communication, fostering a consumer-centric approach. All complaints and feedback are documented and reviewed to facilitate continuous improvement.

2. **Turnover of products and / services as a percentage of turnover from all products / service that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

3. **Number of consumer complaints in respect of the following:**

Particulars	FY2024-25			FY2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4. **Details of instances of product recalls on account of safety issues:**

Category	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

   Remarks: No products of the Company were recalled on account of safety issues.

5. **Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes. The policy can be accessed at https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Sutlej_IT_Policy.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to any of the following:**

   i. Advertising;

   ii. Delivery of essential services;

   iii. Cyber security and data privacy of customers;

   iv. Re-occurrence of instances of product recalls;

   v. penalty / action taken by regulatory authorities on safety of products / services.

   There have been no instances of corrective actions taken or underway on issues related to advertising or delivery of essential services, cyber security and data privacy of customers, re-occurrence of product recalls, or any penalties or actions taken by regulatory authorities on the safety of products or services.

7. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches - 0

   b. Percentage of data breaches involving personally identifiable information of customers - 0%

   c. Impact, if any, of the data breaches - Not applicable as we did not have any data breaches.

Annexure-VI

Particulars of Employees

1. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2024-25, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25 are as under:

Sr. No.	Name of Director / KMP	Remuneration of Director/ KMP for FY 2024-25 (Rs.in lakhs)	Designation	Percentage increase in Remuneration	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. C. S. Nopany	300.20	Executive Chairman	N.A.	146.49
2.	Mr. U. K. Khaitan*	-	Non-Executive Director	-	-
3.	Mr. Amit Dalal*	-	Non-Executive Director	-	-
4.	Mr. Rajan Dalal*	-	Non-Executive Director	-	-
5.	Mr. Rajiv K. Podar*	-	Non-Executive Director	-	-
6.	Mrs. Sonu Bhasin	10.00	Non-Executive Director	-	4.88
7.	Mr. Rohit Dhoot	10.00	Non-Executive Director	-	4.88
8.	Mr. Ashok Mittal	10.00	Non-Executive Director	-	4.88
9.	Mr. Sameer Kaji	10.00	Non-Executive Director	-	4.88
10.	Ms. Deepa Kapoor	10.00	Non-Executive Director	-	4.88
11.	Mr. Arhant Nopany	10.00	Non-Executive Director	-	4.88
12	Mr. Ashishkumar Srivastava**	7.30	Wholetime Director & CEO	N.A.	N.A.
13.	Mr. Rajib Mukhopadhyay #	137.49	Chief Financial Officer	4.95	67.09
14.	Mr. Manoj Contractor	105.88	Company Secretary & Compliance Officer	6.95	51.67

* ceased to be Directors of the Company effective 23rd August, 2024.

Mr. Rajib Mukhopadhyay ceased to be Wholetime Director w.e.f. 23rd March, 2025.

** Mr. Ashish Kumar Srivastava was appointed as Wholetime Director & CEO w.e.f. 24th March, 2025.

2. In the financial year, there was increase of 14.39% in the median remuneration of employees.
3. There were 12,310 permanent employees on the rolls of Company as on 31st March, 2025.
4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2024-25 was 4.17% whereas the increase in the managerial remuneration for the same financial year was 1.17%.
5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Notes:

i. The remuneration of non-executive directors is exclusive of sitting fees.

B. Information pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(1) Top 10 employees in terms of remuneration drawn during the year

Sr. No.	Employee Name	Designation	Remuneration in FY 2025 (Rs.)	Qualifications	Experience (in years)	Nature of Employment	Date of commencement of employment	Age (in years)	Last Employment held before joining the Company
1	Mr. Suresh Kumar Kandelia #	Advisor (Senior Management Personnel)	6,00,00,000	B.Com., FCA	49	Regular	24th July, 2023	74	Blend Financial Solutions Private Limited
2.	Mr. C. S. Nopany	Executive Chairman	3,00,19,702	C.A., Master Degree in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA	34	Regular	1st July, 2015	59	Oudh Sugar Mills Ltd.
3.	Mr. Rajib Mukhopadhyay	Wholetime Director & Chief Financial Officer	1,37,49,344	B.Com; C.A.	30	Regular	11th June, 2022	55	Indofil Industries Limited
4.	Mr. Umesh Gupta *	Executive President - CTM	1,28,15,097	B. Text. (Textile Technology) Post Graduate Diploma in Marketing Management	41	Regular	04th March, 2019	62	Ginni International Ltd.
5.	Mr. Gaurav Jain	Chief Human Resource Officer	1,05,99,116	B.Sc. (Physics), PG in Industrial Relations & Personal Management	27	Regular	01st April, 2024	52	Trident India Limited
6.	Mr. Manoj Contractor	Company Secretary and Compliance Officer	1,05,87,559	B. Com, C.S., LL.B.	33	Regular	25th October, 2017	54	Essar Ports Ltd.
7.	Mr. Dhiraj Banka	Sr. Vice President (Exports)	1,00,77,844	B.Com.	23	Regular	07th July, 2008	49	RSR Mohta Spg. & Wvg.Mills
8.	Mr. Upendra Kumar Pattnaik	Joint Executive President - CTM	96,69,569	Textile Technologist	33	Regular	09th August, 2024	55	Deepak Spinners Limited
9.	Mr. Rohit Arora	Executive President - BTM	71,47,800	B. Tech.	26	Regular	11th December, 2023	49	SRF Limited
10.	Mr. Jitender Kumar	Vice President (Raw Material-Fibres)	68,22,522	B.Sc. (Honors) in Agriculture, Master of Agribusiness	30	Regular	17th August, 2020	55	Sintex Industries Limited

resigned w.e.f. 31st March, 2025

* retired w.e.f. 31st March, 2025

(2) Employed throughout the financial year and were in receipt of remuneration aggregating not less than Rs.1,02,00,000/- per annum

Name & Designation of the Employee	Remuneration received (Rs.)	Qualifications & Experience	Nature of Employment	Nature of duties	Date of commencement of employment	Age (Yrs.)	Last Employment held before joining the company
Mr. Suresh Kumar Khandelia Advisor (Senior Management Personnel)	6,00,00,000	B.Com., FCA, 49 years.	Regular	Overall Management	24^{th} July 2023	74	Blend Financial Solutions Private Limited
Mr. C. S. Nopany Executive Chairman	3,00,19,702	C.A., Master Degree in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA 34 years	Regular	Executive Management	1^{st} July, 2015	59	Oudh Sugar Mills Ltd.
Mr. Rajib Mukhopadhyay Chief Financial Officer	1,37,49,344	B.Com, C.A. 30 years	Regular	Overall Financial Management	11^{th} June, 2022	55	Indofil Industries Limited
Mr. Umesh Gupta Executive President – CTM	1,28,15,097	B. Text. (Textile Technology), Post Graduate Diploma in Marketing Management 41 years	Regular	Overall Management of Chenab Textile Mills, Kathua	04^{th} March, 2019	62	Ginni International Ltd.
Mr. Gaurav Jain Chief Human Resource Officer	1,05,99,116	B.Sc. (Physics), PG in Industrial Relations & Personal Management, 27 years	Regular	Overall HR Management	01^{st} April, 2024	52	Trident India Limited
Mr. Manoj Contractor Company Secretary and Compliance Officer	1,05,87,559	B. Com, C.S., LL.B. 33 years	Regular	Overall Compliance Management	25^{th} October, 2017	54	Essar Ports Ltd.

(3) Employed for part of the financial year and were in receipt of remuneration aggregating not less than Rs.8,50,000/- per month.

Name & Designation of the Employee	Remuneration received (Rs.)	Qualifications & Experience	Nature of Employment	Nature of duties	Date of commencement of employment	Age (Yrs.)	Last Employment held before joining the company
Mr. Ranjan Chaudhary* Chief Operating Officer	1,90,96,128	B. Text. (Textile Technology), 32 years	Regular	Overall Technical Management	13th May, 2024	54	Argon Spinning Limited

* Mr. Ranjan Chaudhary was appointed as Chief Operating Officer w.e.f. 13th May, 2024.

Notes:

1. Other Terms & Conditions: As per Company's Rules and Regulations.
2. Remuneration received includes Salary, Reward, Encashment of Leave, Medical Expenses, Premium on Personal Accident Policy, Perquisites and Company's contribution to Provident Fund and Superannuation Fund; but excludes Gratuity.
3. Above employees are not relative of any Director of the Company.
4. Percentage of shares held:

Name of Director	No. of Shares	% of Shares
Mr. C. S. Nopany	1,10,000	0.07

Annexure-VII

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Sutlej Textiles and Industries Limited
CIN: L17124RJ2005PLC020927
Pachpahar Road, Bhawanimandi,
Jhalawar, Rajasthan.

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sutlej Textiles and Industries 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 **31st March, 2025,** 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, 2025,** 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;

I. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

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

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

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[not applicable during audit period];**

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014) **[not applicable during audit period];**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[not applicable during audit period];**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[not applicable during audit period];**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[not applicable during audit period].**

VI The following other laws as applicable to the Company:

a. Employees Provident Fund and Miscellaneous Provisions Act, 1952.

b. Employees State Insurance Act, 1948.

c. Environment Protection Act, 1986 and other environmental laws.

d. Equal Remuneration Act, 1976.

e. Factories Act, 1948.

f. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.

g. Income Tax Act, 1961 and Goods and Service Tax Act, 2017 and the rules made thereunder.

h. Industrial Dispute Act, 1947.

i. Maternity Benefits Act, 1961.

j. Minimum Wages Act, 1948.

k. Payment of Bonus Act, 1965.

l. Payment of Gratuity Act, 1972.

m. Payment of Wages Act, 1936.

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

(b) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent with proper time gap 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.
- Majority decision is carried through while the dissenting members' views are captured and recorded (wherever applicable) as part of the minutes.

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

I further report that during the audit period, there were few specific events / actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

1. Mr. Chandra Shekhar Nopany was re-appointed as Wholetime Director designated as "Executive Chairman" of the Company for a period of 3 (Three) years w.e.f. 01st July, 2024.
2. Mr. Rohit Rajgopal Dhoot and Mr. Ashok Mittal were appointed as Independent Directors of the Company w.e.f. 30th July, 2024.
3. Mr. Sameer Ambarish Kaji and Ms. Deepa Kapoor were appointed as Additional Directors (Independent) of the Company w.e.f. 09th May, 2024 and their appointment was regularized in the AGM held on 30th July, 2024.
4. Mr. Arhant Vikram Nopany was appointed as Additional Director (Non-Executive) w.e.f. 09th May, 2024 and his appointment was regularized as Non-Executive Director of the Company w.e.f. 30th July, 2024.
5. Mr. Ashishkumar Hari Mohan Srivastava was appointed as Additional Director and Wholetime Director (designated as Wholetime Director and Chief Executive Officer) of the Company w.e.f. 24th March, 2025. Further his appointment was regularized as director and Wholetime Director through resolutions passed by the shareholders by Postal Ballot on 01st May, 2025.
6. Mr. U. K. Khaitan, Mr. Amit Dalal, Mr. Rajan A. Dalal and Mr. Rajiv K. Podar ceased as Directors of the Company w.e.f. 23rd August, 2024 on completion of their tenure.
7. Mr. Rajib Mukhopadhyay ceased as Wholetime Director of the Company w.e.f. 23rd March, 2025, however he continues as CFO of the Company.

Place: JAIPUR
Date: 09.05.2025
UDIN: F005118G000299797

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)

Sd/-
RAJENDRA CHOUHAN - PROPRIETOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No. 5118
C P No.: 3726

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

"ANNEXURE- A"

To,
The Members,
Sutlej Textiles and Industries Limited
CIN: L17124RJ2005PLC020927
Pachpahar Road, Bhawanimandi,
Jhalawar, Rajasthan.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: JAIPUR
Date: 09.05.2025
UDIN: F005118G000299797

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)

Sd/-
RAJENDRA CHOUHAN - PROPRIETOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No. 5118
C P No.: 3726

Annexure-VIII

FORM NO. AOC - 2

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

Form for Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2025, which were not at arm's length basis.

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

   There were no material contracts or arrangements or transactions entered into during the year ended 31st March, 2025.

For and on behalf of the Board

C. S. Nopany
Executive Chairman
DIN: 00014587

Place : Dubai
Dated: 11th June, 2025

Financial Statements

Independent Auditor's Report

To the Members of
Sutlej Textiles and Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sutlej Textiles and Industries Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including 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 standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter

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

The key audit matter	How the matter was addressed in our audit
Assessment of impairment of unquoted investment in wholly owned subsidiary (including step-down subsidiary). See Notes 2.18(c) and 5 to standalone financial statements	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Assessed the appropriateness of accounting policy for impairment of investment in wholly owned subsidiary (including step-down subsidiary) as per relevant accounting standard.

The key audit matter	How the matter was addressed in our audit
The Company has investment (gross value) in wholly owned subsidiary amounting to Rs. 81.13 crores as at 31 March 2025 which has further invested in its wholly owned subsidiary. In case there is any indicator of impairment, the company adjusts the carrying value of the investment for the consequential impairment loss, if any. The Company has recognised a total impairment loss of Rs. 60.39 crores as at 31 March 2025. The recoverable amount has been derived from discounted cash flow model prepared by the management with the help of valuation expert. This model uses several key assumptions, including future sales volumes, prices, operating margin, growth rates and the discount rate. We have identified the assessment of impairment in respect of investment in the wholly owned subsidiary as a key audit matter since it involves significant judgement in making the above estimates and is dependent on external factors such as future market conditions and the economic environment.	– Evaluated the Company's assessment for identification of indicators of impairment. – Evaluated the design and implementation of key internal financial controls with respect to impairment including determination of recoverable value and tested the operating effectiveness of such controls. – Evaluated the impairment model which is based on discounted cash flows, prepared by management valuer. This included assessing the appropriateness of key assumptions used, with particular attention to revenue projections, discount rate, the long-term growth rate and other assumptions based on approved business plan, historical data, our knowledge of the Company and the industry, observable market data with assistance of our valuation specialist. – Evaluated the objectivity, independence and competence of the valuation specialist engaged by the Company; – Performed sensitivity analysis of the key assumptions used to determine which changes to assumptions would change the outcome of impairment assessment; – Compared the recoverable amount of the cash generating unit to the carrying amount to determine impairment loss, if any; and – Assessed the adequacy of the disclosures relating to impairment of investment.

Other Information

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

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

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

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

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. 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 except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 01 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements.

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

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

   d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 51 (vi) to the standalone financial statements regarding investment in step down subsidiary, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 (vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except In case of an accounting software used for maintaining the books of account relating to workers payroll, due to system limitation to validate configuration of the feature of recording audit trail (edit log) facility at application and database level, we are unable to comment (a) whether audit trail feature of the said software was enabled and (b) whether it operated throughout the year for all relevant transactions recorded in the software.

   Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with. Additionally, except to the extent audit trail was not enabled for the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:25095109BMOOKA3663

Place: Mumbai
Date: 09 May 2025

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (in Rs. crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Leasehold land at Kathua*	1.53	Chenab Textiles Mills, Kathua (A unit of Company)	No	Year 2006 to 2008	Company submitted letter to SIDCO, Kathua for execution of lease deed for land allotted in its favour which is pending
Freehold land at Baddi	0.08	Sh. Ashok Kumar & Sh. Ratna	No	1992-93	Revenue department requires fresh agreement with their land owners which could not be arranged due to death of land owners.

*disclosed as right of use assets as per relevant accounting standard

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year.For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has 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 assets. In our opinion, 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 except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (Rs. in crores)	Amount as reported in the quarterly return/ statement (Rs. in crores)	Amount of difference (Rs. in crores)	Whether return/ statement subsequently rectified
March 2024	Punjab National Bank, Jammu & Kashmir Bank, HDFC Bank, DBS Bank, DCB Bank, ICICI Bank, Federal Bank, Axis Bank and Kotak bank	Inventory net of trade payable	403.69	397.20	6.49	Yes*
		Trade Receivables	254.15	254.26	(0.11)	Yes*
June 2024		Inventory net of trade payable	395.26	392.36	2.90	Yes*
September 2024		Inventory net of trade payable	362.14	364.16	(2.02)	Yes*
		Trade Receivables	288.95	291.11	(2.16)	Yes*
Decemer 2024		Inventory net of trade payable	377.18	380.89	(3.71)	Yes*
		Trade Receivables	250.12	253.73	(3.61)	Yes*

*As informed, the Company regularly submits provisional drawing power (DP) statements on a monthly basis to Punjab National Bank (PNB) being the lead bank by the 15th of the following month and also to other member banks. The DP limit is computed in accordance with the terms and conditions outlined in the sanction letter. Discrepancies between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory and debtors are done as per the bank sanction letter. During the current year, the Company has submitted revised DP statements tallying with the books of accounts for the aforesaid periods. In FY 24-25, the actual utilization of working capital remained within the bank sanction/DP limits.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments, provided guarantee and granted loan, secured or unsecured to companies, in respect of which the requisite information is as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loan or stood guarantee to any other entity as below:

Particulars	Guarantees Rs in Crores	Loan Rs in Crores
Aggregate amount during the year Subsidiary	-	7.04
Step down subsidiary	20.54	-
Balance outstanding as at balance sheet date Subsidiary	-	7.04
Step down subsidiary	20.54	-

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantee provided during the year and the terms and conditions of the grant of loan and guarantee provided during the year are not prejudicial to the interest of the Company. Further, the Company has not provided any security or granted any advances in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loan given, the repayment of principal and payment of interest has not fallen due during the year. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loan given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loan given to same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, given any loans, or provided any security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the guarantees given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods 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 records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or

Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (net of paid) (Rs. in crores)*	Period to which the amount relates	Forum where dispute is pending
Himachal Pradesh Tax on entry of goods in local area act, 2010	Entry Tax	5.43	F.Y. 2011-2017	High Court, Himachal Pradesh
The Central Excise Act, 1944	Excise duty	0.53	F.Y. 2010-2011	Additional Secretary, Office of Revisional Authority, New Delhi
		0.07	F.Y. 2009-2011	Central Excise & Service Tax Appellate Tribunal, Ahmedabad
		-	F.Y. 2003-2004	Central Excise & Service Tax Appellate Tribunal, Jammu
CGST Act, 2017	GST	7.87	F.Y. 2017-2019	Goods & Service Tax Appellate Tribunal
		1.47	F.Y. 2019-2021	Commissioner (Appeal), Jodhpur
Building Cess	Building Cess	1.54	F.Y. 2015-2016 F.Y. 2019-2020	High Court, Jaipur

* Amount as per demand orders includes interest and penalty, wherever indicated in the order and is net of amount deposited.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

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

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

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

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

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

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has two CIC as part of the Group as detailed in note 51 (x) to the standalone financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current year, however, the Company has incurred cash losses of Rs. 79.06 crores in the immediately preceding financial year.

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

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

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:25095109BMOOKA3663

Place: Mumbai
Date: 09 May 2025

Annexure B to the Independent Auditor's Report on the standalone financial statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Sutlej Textiles and Industries Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Place: Mumbai
Membership No.: 095109
Date: 09 May 2025
ICAI UDIN:25095109BMOOKA3663

Standalone Balance Sheet as at 31 March 2025

(All amounts are in Rupees Crores, unless otherwise stated)

CIN No: L17124RJ2005PLC020927

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3A	998.30	1,049.33
Capital work-in-progress	3B	7.11	7.69
Right-of-use assets	3C	3.95	4.01
Intangible assets	4	0.97	1.31
Financial assets			
(i) Investments	5	20.74	15.14
(ii) Loans	6	7.04	-
(iii) Other financial assets	7	13.42	14.92
Other tax assets (net)	8	3.17	3.05
Deferred tax assets (net)	23	7.48	-
Other non current assets	9	24.93	18.02
Total non-current assets		**1,087.11**	**1,113.47**
Current assets			
Inventories	10	504.87	497.33
Financial assets			
(i) Investments	11	-	-
(ii) Trade receivables	12	345.94	345.07
(iii) Cash and cash equivalents	13	3.85	2.64
(iv) Bank balances other than (iii) above	14	7.51	2.94
(v) Other financial assets	15	47.16	91.00
Other current assets	16	38.97	36.89
Assets classified as held for sale	17	7.94	7.78
Total current assets		**956.24**	**983.65**
Total assets		**2,043.35**	**2,097.12**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	16.38	16.38
Other equity	19	877.71	959.87
Total equity		**894.09**	**976.25**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	324.66	275.41
(ii) Lease liabilities	46	0.56	0.57
(iii) Other financial liabilities	21	6.52	6.68
Provisions	22	12.73	12.87
Deferred tax liabilities (net)	23	-	33.02
Other non current liabilities	24	1.85	2.88
Total non-current liabilities		**346.32**	**331.43**
Current liabilities			
Financial liabilities			
(i) Borrowings	25	551.31	548.85
(ii) Trade payables	26		
(a) Total outstanding dues of micro enterprises and small enterprises and;		28.51	15.23
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		130.89	135.76
(iii) Other financial liabilities	27	56.82	57.32
Other current liabilities	28	19.80	19.05
Provisions	29	15.61	13.23
Total current liabilities		**802.94**	**789.44**
Total liabilities		**1,149.26**	**1,120.87**
Total equity and liabilities		**2,043.35**	**2,097.12**
Material accounting policy	2		

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109
Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
Director
DIN : 00016856
Place : Mumbai
Date: 09 May 2025

C. S. Nopany
Executive Chairman
DIN : 00014587
Place : Mumbai
Date: 09 May 2025

Ashish Kumar Srivastava
Wholetime Director and CEO
DIN : 06527942
Place: Mumbai
Date: 09 May 2025

Rajib Mukhopadhyay
Chief Financial Officer
M.No. : 058123
Place: Mumbai
Date: 09 May 2025

Manoj Contractor
Company Secretary
M.No. : A11661
Place: Mumbai
Date: 09 May 2025

Standalone Statement of Profit and Loss for the year ended 31 March 2025

(All amounts are in Rupees Crores, unless otherwise stated)

CIN No: L17124RJ2005PLC020927

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from operations	30	2,642.36	2,671.72
Other income	31	22.61	24.23
Total income		**2,664.97**	**2,695.95**
Expenses			
Cost of materials consumed	32	1,489.15	1,432.36
Purchase of stock-in-trade		49.32	68.29
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(15.67)	178.71
Employee benefits expense	34	438.01	409.25
Finance costs	35	61.48	63.15
Depreciation and amortisation expense	36	109.80	115.33
Other expenses	37	635.98	612.59
Total expenses		**2,768.07**	**2,879.68**
Profit /(loss) before exceptional items and tax		**(103.10)**	**(183.73)**
Exceptional items	38	22.70	18.96
Profit/ (loss) before tax		**(125.80)**	**(202.69)**
Tax expense:	23		
Current tax		-	-
Tax related to earlier years		-	0.73
Deferred tax		(41.60)	(68.81)
Tax expenses		**(41.60)**	**(68.08)**
Profit/(loss) for the year		**(84.20)**	**(134.61)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	23	3.14	5.45
Income tax relating to remeasurement of defined benefit plans		(1.10)	(1.91)
Total other comprehensive income for the year, net of tax		**2.04**	**3.54**
Total comprehensive income/ (loss) for the year		**(82.16)**	**(131.07)**
Earnings per equity share of face value of Rs 1 each	39		
Basic and diluted (in Rs.)		(5.14)	(8.22)
Material accounting policy	2		

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109

Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
Director
DIN : 00016856

Place : Mumbai
Date: 09 May 2025

C. S. Nopany
Executive Chairman
DIN : 00014587

Place : Mumbai
Date: 09 May 2025

Ashish Kumar Srivastava
Wholetime Director and CEO
DIN : 06527942

Place: Mumbai
Date: 09 May 2025

Rajib Mukhopadhyay
Chief Financial Officer
M.No. : 058123

Place: Mumbai
Date: 09 May 2025

Manoj Contractor
Company Secretary
M.No. : A11661

Place: Mumbai
Date: 09 May 2025

Standalone Statement of Cash Flows for the year ended 31 March 2025

(All amounts are in Rupees Crores, unless otherwise stated)

CIN No: L17124RJ2005PLC020927

	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A.	**Cash flow from operating activities**		
	Profit before tax	**(125.80)**	**(202.69)**
	Adjustments for :-		
	Depreciation and amortisation expense	109.80	115.33
	Profit on sale/discard of property, plant and equipment (net)	(4.32)	(2.13)
	Finance costs (net of interest subsidies)	61.48	63.15
	Dividend from preference shares	-	(1.33)
	Interest income	(8.43)	(9.08)
	Deferred government grants	(1.03)	(1.06)
	Net fair value gain on financial assets measured at FVTPL	-	(0.06)
	Loss allowance for doubtful debts	3.73	2.11
	Provision for Expected credit loss	-	0.02
	Unrealised (gain)/ loss on foreign currency fluctuations (net)	0.67	(1.41)
	Fair value (gain)/ loss on derivatives	(0.81)	1.41
	Impairment loss on investment in wholly owned subsidiary (refer note 38 a)	22.70	10.51
	Expenses on surrender of leasehold land (refer note 38 b)	-	8.45
	Sundry credit balances written back (net)	(1.58)	(0.11)
	Operating profit before working capital adjustment	**56.41**	**(16.89)**
	(Increase)/Decrease in inventories	(7.54)	236.48
	(Increase) in trade receivables	(6.61)	(19.53)
	Decrease/(Increase) in other financial assets	15.01	(2.66)
	(Increase)/Decrease in other assets	(2.46)	2.02
	Increase in trade payables	10.03	11.82
	(Decrease) in other financial liabilities	(1.17)	(5.39)
	Increase in provisions	5.38	3.45
	Increase/(Decrease) in other liabilities	0.76	(1.27)
	Cash generated from operations	**69.81**	**208.03**
	Income tax paid (net of refund)	(0.12)	16.52
	Net cash from operating activities	**69.69**	**224.55**
B.	**Cash flow from investing activities**		
	Maturity of short term deposits	44.12	0.38
	Investment in deposits with banks	(48.69)	(0.85)
	Interest received	7.92	9.07
	Dividend received from preference shares	-	1.33
	Investment in wholly owned subsidiary	(28.30)	-
	Purchase of property, plant and equipment (including CWIP and intangible assets)	(65.06)	(55.71)
	Loan to wholly owned subsidiary	(6.42)	-
	Proceeds from redemption of preference shares	-	1.30
	Refund received from Small Industries Development Corporation (SIDCO) (refer note 15))	31.21	-
	Proceeds from sale of property, plant and equipment #	5.69	6.20
	Net cash used in investing activities	**(59.53)**	**(38.28)**
C.	**Cash flow from financing activities**		
	Repayment of long term borrowings	(96.04)	(119.75)
	Proceeds from long term loan	179.80	96.40
	Net proceeds/ (repayment) of short term borrowings	(29.66)	(83.46)
	Finance costs paid (net of interest subsidies)	(62.99)	(64.04)
	Repayment of lease liabilities (including Interest)	(0.06)	(0.05)
	Dividend paid	-	(16.38)

Standalone Statement of Cash Flows for the year ended 31 March 2025

(All amounts are in Rupees Crores, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Net cash used in financing activities	**(8.95)**	**(187.28)**
Net increase/ (decrease) in cash and cash equivalents	**1.21**	**(1.01)**
Cash and cash equivalents at the beginning of the year*	2.64	3.65
Cash and cash equivalents at the end of the year*	3.85	2.64
	1.21	**(1.01)**

Notes::

1 The Cash flow statement has been prepared in accordance with 'Indirect Method' as set out in Ind AS-7- 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

2 Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening balance of borrowings		
Term loan (including current maturities)	371.37	394.72
Current borrowings	452.89	536.50
Cash flows		
Repayment of long term loan	(96.04)	(119.75)
Proceeds from long term loan	179.80	96.40
Change in current borrowings (net)	(29.66)	(83.46)
Non-cash changes		
Upfront fees amortised	(1.27)	-
Exchange fluctuation changes	(1.12)	(0.15)
Closing balance of borrowings		
Term loan (including current maturities)	**453.86**	**371.37**
Current borrowings	**422.11**	**452.89**

* Refer note 13 for details.

* Cash and cash equivalent include bank overdraft that are repayable on demand and form an integral part of the company cash management.

\# Previous includes advance received against assets held for sales of Rs 3.14 Cr

Material accounting policy (refer note 2)
The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109

Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
Director
DIN : 00016856

Place : Mumbai
Date: 09 May 2025

C. S. Nopany
Executive Chairman
DIN : 00014587

Place : Mumbai
Date: 09 May 2025

Ashish Kumar Srivastava
Wholetime Director and CEO
DIN : 06527942

Place: Mumbai
Date: 09 May 2025

Rajib Mukhopadhyay
Chief Financial Officer
M.No. : 058123

Place: Mumbai
Date: 09 May 2025

Manoj Contractor
Company Secretary
M.No. : A11661

Place: Mumbai
Date: 09 May 2025

Standalone Statement of Changes in Equity for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

(a) Equity share capital

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Change in equity share capital during the current year	-	-	-	-
Balance at the end of the year	**16,38,28,620**	**16.38**	**16,38,28,620**	**16.38**

(b) Other equity

Particulars	Reserves and surplus			Total
	General reserve	Retained earnings	Other comprehensive income (Remeasurement of defined benefit plans net of tax) {refer note 19 b(ii)}	
Balance as at 31 March 2023	**208.06**	**891.04**	**8.22**	**1,107.32**
Profit for the year as per statement of profit and loss	-	(134.61)	-	(134.61)
Other comprehensive income for the year	-	-	3.54	3.54
Total comprehensive income for the year	**-**	**(134.61)**	**3.54**	**(131.07)**
Dividend paid	-	(16.38)	-	(16.38)
Balance as at 31 March 2024	**208.06**	**740.05**	**11.76**	**959.87**
Profit for the year as per statement of profit and loss	-	(84.20)	-	(84.20)
Other comprehensive income for the year	-	-	2.04	2.04
Total comprehensive income for the year	**-**	**(84.20)**	**2.04**	**(82.16)**
Balance as at 31 March 2025	**208.06**	**655.85**	**13.80**	**877.71**

Material accounting policy (refer note 2)
The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109

Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
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M.No. : 058123

Place: Mumbai
Date: 09 May 2025

Manoj Contractor
Company Secretary
M.No. : A11661

Place: Mumbai
Date: 09 May 2025

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

1. Company Information

Sutlej Textiles and Industries Limited (herein after referred to as "the Company") is domiciled in India with its registered office situated at Pachpahar Road, Bhawanimandi - 326502, Rajasthan. The Company has been incorporated under the provisions of Indian Companies Act 2013 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) Limited. The Company, primarily, deals in cotton and man-made fibres yarn and home textiles.

2. Summary of material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of preparation

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These standalone financial statements were authorised for issue by the board of directors on their meeting held on 09 May 2025.

2.2 Basis of measurement

The standalone financial statements have been prepared under the historical cost basis except for the following items: -

- Defined benefit liability/(assets): Fair value of plan assets less present value of defined benefit obligation
- Certain financial assets and liabilities (including financial instrument) – measured at Fair value;
- Other financial assets and liabilities- measured at amortised cost.

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realizable value in inventories or value in use in impairment of assets. The basis of fair valuation of these items is given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described below:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded to the nearest Crores, unless otherwise indicated.

2.3 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements:

- revenue recognition: whether revenue is recognised over time or at a point in time;
- lease term: whether the Group is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions; (note 43)
- Recognition of deferred tax assets: availability of future taxable profit against which Minimum Alternative Tax (MAT) credit can be used (note 2.19 and 23)
- Useful life and residual value of property, plant and equipment, and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (note 40)
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows (note 45)
- Impairment of non-financial assets: key assumptions used in estimating recoverable amount (note 3, 4 and 50)

2.4 Classification of assets and liabilities as current and non- current

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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and 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.

An liability is treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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 liabilities are classified as non-current liabilities.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

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

Material accounting policies

2.5 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of an item of property, plant and equipment's comprises its purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Transition to Ind AS

The cost of property, plant and equipment at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on property, plant and equipment is calculated on straight line method and is recognized in the statement of profit and loss. The rates are arrived at based on the estimated useful lives given in schedule II of the Companies Act, 2013 or re-assessed by the Company basis technical assessment, as given below: -

Assets	Useful life as per technical assessment/ management estimate	Useful life as per Schedule II of Companies Act
Non factory buildings	58 years	60 years
Factory buildings	30 years	30 years
Plant and equipment	18 years and 4 months / 20 years / 15 years/ 3 years and 6 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	5-10 years	10 years
Vehicles	8 years and 10 years	8 years and 10 years

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Additions on rented premises (offices and guest houses) are being amortised over the period of rent agreement.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase as these assets have no significant useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Capital work-in-progress

Capital work-in-progress includes assets in the course of construction for production/ and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized.

2.6 Intangible assets

Intangible assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the software is considered as 3 to 6 years (Depend on software licence period) against useful life of 3 years as per Companies Act, 2013.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

Transition to Ind AS

The cost of Intangible assets at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

2.7 Non-current assets (or disposal groups) held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.8 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate assets belongs.

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

Impairment loss in respect of assets is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

2.9 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the effective interest rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.10 Foreign currency transactions

The financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. All amounts have been rounded off to the nearest crores, except share data and as stated otherwise.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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 the statement of profit or loss with the exception of the following:

Exchange difference on foreign currency borrowings included in the borrowing cost when they regarded as an adjustment to interest costs on those foreign currency borrowings.

Conversion

Foreign currency monetary items are reported using the closing foreign currency exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

2.11 Employee benefits

a. **Short term employee benefits**

   Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and also towards superannuation scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

c. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

For defined benefit plan, the cost of providing benefits is determined annually by an independent actuary using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement of net defined benefit liability

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

d. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gains or losses are recognised in statement of profit and loss in the period in which they arise.

2.12 Revenue from contract with customer's

Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- **Step 1:** Identify the contract with the customer
- **Step 2:** Identify the performance obligations in the contract
- **Step 3:** Determine the transaction price
- **Step 4:** Allocate the transaction price to the performance obligations
- **Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation.

Sales of goods

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Revenue is recognised when the controls of goods, are transferred to the buyer as per terms of contract i.e., when good are dispatched in case of domestic sales and date of bill of lading for export sales. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Export incentives

Export entitlements in the form of duty drawback, remission of duties and taxes on export products and other schemes are recognized 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 exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest is recognised using effective interest rate method on a time proportion basis.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Scrap Sales

Income from sale of the scrap is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract.

Insurance claim

Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable, and the ultimate collection is reasonably certain.

Job Work

Revenue from job work charges is recognised on an accrual basis as and when the services are rendered as per the terms of the arrangement with respective customers.

2.13 Government grants and subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a systematic basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

EPR Credits

Extended Producer Responsibility credit income is recognised in the Statement of Profit & Loss when there is a reasonable assurance that the income will be received and the Company will comply with all attached conditions.

2.14 Inventories

Inventories are valued as follows:

Raw materials, Stock in trade, dyes and chemicals, stores and spares and consumables	Lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and an appropriate share of fixed production overheads based on normal operating capacity.
Waste material	At net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.15 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 for pricing adjustments embedded in the contract.

Loss allowance for expected lifetime credit loss is recognised on initial recognition.

2.16 Provisions and contingent liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

2.17 Measurement of fair value

a Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Fair values are determined with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on market comparison techniques utilizing significant unobservable data, primarily cash flow based models.

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and Earnings before tax, interest and depreciation (EBITDA) of the investee. The estimate is adjusted for the effect of the non-marketability of the relevant equity securities.

If fair value cannot be measured reliably unlisted shares are recognized at cost.

c Derivatives

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risk respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are recorded directly to statement of profit and loss.

2.18 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and interest rate swaps.

a. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

A financial asset is measured at amortised cost only if both of the following conditions are met:

a. it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

b. the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

b. Preference share

All preference share instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an preference share investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at fair value through profit and loss (FVTPL).

c. Investments in Subsidiaries

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

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Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

d. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

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

Subsequent measurement

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

Financial liabilities measured at amortised cost

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

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.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when and only when 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.

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive Income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimates of the tax amount expected to be paid on received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. **Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.20 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise

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(All amounts are in Rupees Crore, unless otherwise stated)

the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company have been identified as being the chief operating decision maker by the management of the Company.

The Company's board examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

a) **Yarn:** It comprises of recycle polyester staple fibre, cotton and man made fibres yarn;

b) **Home textiles :** It comprises of home furnishing and fabric processing

Refer note 41 for segment information presented.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts.

2.23 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

2.24 Dividend

The Company recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.25 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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(All amounts are in Rupees Crore, unless otherwise stated)

3A. Property, plant and equipment

Particulars	Freehold Land	Buildings (refer note 1)	Plant and equipment	Vehicles	Furniture and fixtures	Office equipment's	Total
Gross Block							
Balance as at 31 March 2023	**54.50**	**578.83**	**1,208.47**	**14.38**	**17.63**	**15.02**	**1,888.83**
Additions		1.55	56.16	0.47	0.92	1.04	60.14
Disposals		-	11.33	2.69	0.34	0.66	15.02
Balance as at 31 March 2024	**54.50**	**580.38**	**1,253.30**	**12.16**	**18.21**	**15.40**	**1,933.95**
Additions		1.06	54.80	1.22	0.48	2.11	59.67
Disposals		0.01	10.07	0.44	0.08	0.46	11.06
Balance as at 31 March 2025	**54.50**	**581.43**	**1,298.03**	**12.94**	**18.61**	**17.05**	**1,982.56**
Accumulated Depreciation							
Balance as at 31 March 2023	**-**	**103.64**	**650.06**	**8.46**	**10.03**	**10.46**	**782.65**
Additions		16.69	94.05	1.16	1.17	1.59	114.66
Disposals		-	9.56	2.25	0.30	0.58	12.69
Balance as at 31 March 2024	**-**	**120.33**	**734.55**	**7.37**	**10.90**	**11.47**	**884.62**
Additions		16.80	88.37	1.09	1.25	1.66	109.17
Disposals		0.09	8.58	0.39	0.06	0.41	9.53
Balance as at 31 March 2025	**-**	**137.04**	**814.34**	**8.07**	**12.09**	**12.72**	**984.26**
Net Block							
Balance as at 31 March 2024	**54.50**	**460.05**	**518.75**	**4.79**	**7.31**	**3.93**	**1,049.33**
Balance as at 31 March 2025	**54.50**	**444.39**	**483.69**	**4.87**	**6.52**	**4.33**	**998.30**

Notes:

1. Building, includes share of the company in a premises at Haridwar (jointly owned with others) having carrying value as at 31 March 2025 Rs.0.53 crores and 31 March 2024 Rs.0.55 crores respectively (Original Cost Rs.1.23 crores as at 31 March 2025 and Rs.1.23 crores as at 31 March 2024)
2. Borrowing cost capitalized amounting to Rs.0.09 crores (31 March 2024 Rs.1.06 crores) under the head plant and equipment, building and others (refer note 42)
3. Property, plant and equipment given as security for borrowings refer note 20 (a)
4. Refer note no 50
5. Refer note no 17

Notes to the Standalone Financial statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

6. Immovable Property not held in name of the Company:- In case of Kathua leasehold land having carrying value as at 31 March 2025 and 31 March 2024 Rs.1.19 crores and Rs.1.21 crores respectively (Original cost Rs.1.53 crores as at 31 March 2025 and 31 March 2024 : Rs 1.53 crores) and in case of Baddi units freehold land having carrying value as at 31 March 2025 and 31 March 2024 Rs 0.08 crores (Original cost Rs 0.08.crores) are pending for registration in the name of the company. Details for the current and previous year are as follows:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company	Also indicate if in dispute
Lease hold land	70Kanal 5Marla land , Kathua	1.40	Chenab Textile Mills (A unit of Company)	No.	2006-07	The Company submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in Company favour.	No.
Lease hold land	2Kanal 4Marla land , Kathua	0.13	Chenab Textile Mills (A unit of Company)	No.	2007-08	The Company submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in Company favour.	No.
Free hold Land	Free hold Land, Baddi	0.05	Sh Ashok Kumar	No.	1992-93	For registration in the name of Company revenue department required fresh agreement which could not be arranged due to death of land owner.	No.
Free hold Land	Free hold Land, Baddi	0.03	Sh. Ratna	No.	1992-93	For registration in the name of Company revenue department required fresh agreement which could not be arranged due to death of land owner.	No.
Total		**1.61**					

Notes to the Standalone Financial statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

3B. Capital work-in-progress

Capital work-in-progress - Rs.7.11 crores (31 March 2024 : Rs.7.69 crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance	7.69	8.60
Addition during the year	57.61	60.10
Less : written off during the year*	-	0.77
Less Capitalised during the year	58.19	60.24
Closing balance	**7.11**	**7.69**

* During the previous year, the Company has incurred preoperative expenses amounting to Rs 0.77crore for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the Company has decided not to proceed with the greenfield expansion project at this time, Consequently, these expenses have been written off and presented as an "exceptional item" (refer note -38 (b)).

a) CWIP ageing schedule

CWIP	Amount in CWIP for a period of				As at 31 March 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.02	-	-	-	7.02
Projected temporarily suspended	-	-	-	0.09	0.09
Total	**7.02**	**-**	**-**	**0.09**	**7.11**

CWIP	Amount in CWIP for a period of				As at 31 March 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.24	0.02	0.34	-	7.60
Projected temporarily suspended	-	-	-	0.09	0.09
Total	**7.24**	**0.02**	**0.34**	**0.09**	**7.69**

Notes to the Standalone Financial statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

3C. Right-of-use assets*

Particulars	Gross block				Depreciation				Net Block	
	As at 31 March 2024	Additions	Disposals	As at 31 March 2025	As at 31 March 2024	Additions	Disposals	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Right-of-use assets (Lease hold land)	4.49	-	-	4.49	0.48	0.06	-	0.54	3.95	4.01
	4.49	**-**	**-**	**4.49**	**0.48**	**0.06**	**-**	**0.54**	**3.95**	**4.01**

Particulars	Gross block				Depreciation				Net Block	
	As at 31 March 2023	Additions	Disposal	As at 31 March 2024	As at 31 March 2023	Additions	Disposals	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Right-of-use assets (Lease hold land)#	4.38	44.38	44.27	4.49	0.43	0.05	-	0.48	4.01	3.95
	4.38	**44.38**	**-**	**4.49**	**0.43**	**0.05**	**-**	**0.48**	**4.01**	**3.95**

*Refer note 46 for lease liabilities

During the previous year, the Company created right-of-use of asset amounting to Rs 44.27 crore for leasehold land acquired for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the leasehold land allocated for the project has been surrendered, leading to the reversal of the aforementioned assets. (refer note -38 (b))

4. Intangible assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 31 March 2024	Additions	Disposals	As at 31 March 2025	As at 31 March 2024	Additions	Disposals	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Software	4.64	0.23	-	4.87	3.33	0.57	-	3.90	0.97	1.31
	4.64	**0.23**	**-**	**4.87**	**3.33**	**0.57**	**-**	**3.90**	**0.97**	**1.31**

Particulars	Gross Block				Amortisation				Net Block	
	As at 31 March 2023	Additions	Disposal	As at 31 March 2024	As at 31 March 2023	Additions	Disposals	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Software	4.15	0.49	-	4.64	2.71	0.62	-	3.33	1.31	1.44
	4.15	**0.49**	**-**	**4.64**	**2.71**	**0.62**	**-**	**3.33**	**1.31**	**1.44**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

4. Intangible assets (Contd.)

Additional disclosure as per previous GAAP

Particulars	As at 31 March 2024			As at 31 March 2025		
	Gross Block	Accumulated depreciation	Net Block	Gross Block	Accumulated depreciation	Net Block
Tangible assets						
Freehold land	54.51	0.01	54.50	54.51	0.01	54.50
Buildings	636.08	176.03	460.05	637.14	192.75	444.39
Plant and equipment	1,773.18	1,254.43	518.75	1,799.60	1,315.91	483.69
Vehicles	13.94	9.15	4.79	14.51	9.64	4.87
Furniture and fixtures	23.86	16.55	7.31	23.89	17.37	6.52
Office equipment's	20.06	16.13	3.93	21.40	17.07	4.33
Right-of-use assets	5.05	1.04	4.01	5.05	1.10	3.95
Total	**2,526.68**	**1,473.34**	**1,053.34**	**2,556.10**	**1,553.85**	**1,002.25**
Capital work-in-progress	7.69	-	7.69	7.11	-	7.11
Total	**2,534.37**	**1,473.34**	**1,061.03**	**2,563.21**	**1,553.85**	**1,009.36**

Intangible assets

Particulars	As at 31 March 2024			As at 31 March 2025		
	Gross Block	Accumulated depreciation	Net Block	Gross Block	Accumulated depreciation	Net Block
Intangible assets						
Software	4.48	3.17	1.31	4.71	3.74	0.97
Total	**4.48**	**3.17**	**1.31**	**4.71**	**3.74**	**0.97**

5. Non current investments

Particulars	As at 31 March 2025	As at 31 March 2024
A. Investment in equity instruments (fully paid-up) valued at FVTPL		
Unquoted		
50 (31 March 2024: 50) equity shares of The Jhalawar Nagrik Sahkari Bank Ltd (JNSB) of Rs 100 each *	0.00	0.00
	0.00	**0.00**
*The total amount of investments in absolute value is Rs. 5,000 (31 March 2024: Rs. 5,000), for reporting purpose rounded up to Rs. 0.0 Crores.		
B. Investment in wholly owned subsidiary (fully paid up) valued at cost		
Unquoted		
7,500 (31 March 2024: 7,500) equity shares of Sutlej Holdings Inc. of USD 1,000 each	52.83	52.83
20,885 (31 March 2024: Nil) equity shares of Sutlej Holdings Inc. of USD 158 each	28.30	-
Less : Impairment loss on valuation of Investment as per Ind-AS-36 (refer note below)	60.39	37.69
	20.74	**15.14**
Total investments cost (A+B) (net of impairment)	**20.74**	**15.14**
Aggregate value of unquoted investment (A+B)	**81.13**	**52.83**
Aggregate value of impairment in the value of investments	**60.39**	**37.69**

Note :

The Company held investments in its wholly owned subsidiary in the United States of America (USA) which has further invested in a step-down subsidiary in USA. The Company assesses at each reporting date if there is an indication, based on either internal or external sources of information, that investments in the subsidiary (including step down subsidiary) may be impaired in accordance with Ind AS 36 "Impairment of Assets". Where such indicators exist, management performs impairment testing.

In performing such impairment assessment, the Company compares the carrying value of each of the identifiable cash-generating units ("CGUs") to which investments in the subsidiary (including step-down subsidiary) have been allocated with their respective recoverable amounts. The recoverable amount of the CGUs, which is based on the value in use derived from discounted forecast cash flow models to determine if any impairment loss should be recognized.

The step down subsidiary of the Company has incurred losses during the current year and previous years which resulted in erosion of its net worth. Accordingly, the Company carried out impairment assessment of the aforesaid CGU using value in use model which is based on the net present value of the future cash flows, after considering current economic conditions, trends, estimated future operating results, growth rates and anticipated future economic conditions, etc.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

5. Non current investments (Contd.)

Particulars	As at 31 March 2025	As at 31 March 2024
Long term growth rate	3.00%	3.00%
Revenue growth rate (average of next 5 years)	12.50%	23.00%
Weighted average cost of capital	16.41%	18.37%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term growth rate, consistent with the assumptions that a market participant would make.

The carrying amount of the CGU was determined to be higher than its recoverable amount and an impairment loss of Rs 22.70 crores is recognised during the year ended 31 March 2025 (31 March 2024: Rs.10.51 crores) . This impairment loss has been recognised under "Exceptional item" (refer note 38 a).

6. Loans - Non Current

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good unless otherwise stated		
Loans (including interest accrued thereon) (refer note 44)	7.04	-
	7.04	**-**

7. Other financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Security Deposits	13.42	14.92
	13.42	**14.92**

8. Others tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Income tax receivable (net)	3.17	3.05
	3.17	**3.05**

9. Other non current assets

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Capital advances	10.20	3.67
Balances with government authorities	13.86	13.14
Prepaid expenses	0.87	1.21
	24.93	**18.02**

10. Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
(Valued at lower of cost and net realisable value)		
Raw materials	213.65	220.38
Dyes and chemicals	5.49	6.34
Work-in-progress	110.69	100.29
Finished goods	144.66	139.07
Stores, spare-parts and consumables	18.01	18.56
Wastage material	12.37	12.69
	504.87	**497.33**
Goods in transit included in above inventories are as under :		
Raw materials	5.27	5.54
Stores, spare-parts and consumables	0.16	0.52

Inventories are hypothecated to secure borrowings (refer note 20 and 25).

Inventories of finished goods have been written down to net realisable value by Rs 12.14 crores (31 March 2024 Rs 13.41 crores).

The company has devalued the aged inventory by Rs 5.55 crores (31 March 2024 Rs 3.76 crores).

11. Investment in preference shares valued at FVTPL (fully paid up) [refer note 45(I)]

Particulars	As at 31 March 2025	As at 31 March 2024
Unquoted		
1,300,000 8.5% Non-Convertible Cumulative Redeemable Preference shares in Palash Securities Limited of Rs 10 each redeemed during the previous year#	-	-
	-	**-**
#Movement of investment in preference shares		
Opening balance	-	1.24
Change in fair value of preference shares	-	0.06
Preference shares redeemed during the year	-	(1.30)
Closing balance	**-**	**-**

12. Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Trade Receivables considered good, Unsecured - Others*	345.94	345.07
Trade Receivables credit impaired	9.94	6.90
	355.88	351.97
Less: Loss allowance for credit impairment.	(9.94)	(6.90)
	345.94	**345.07**

Note

*Out of above, trade receivables from Related Party is Rs.1.76 crores (31 March 2024 Rs.1.10 crores) (refer note 44)

Notes to the Standalone Financial statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

12. Trade receivables (Contd.)

(a) Trade receivables are hypothecated to secure current borrowings (refer note 20 and 25)

(b) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies in which any director is a partner, or director or member.

(c) The Company's exposure to credit and currency risk, and loss allowances related to trade receivables is disclosed in note 45.

(d) Trade Receivables ageing schedule.

Particulars	As at 31 March 2025						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 month -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	268.43	71.87	5.64	-	-	-	345.94
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	6.33	1.66	0.88	0.90	9.77
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	0.17	0.17
(vii) Unbilled dues							-
Less :- Provision for Doubtful debts	-	-	(6.33)	(1.66)	(0.88)	(1.07)	(9.94)
Total	**268.43**	**71.87**	**5.64**	**-**	**-**	**-**	**345.94**

(All amounts are in Rupees Crore, unless otherwise stated)

12. Trade receivables (Contd.)

(e) Trade Receivables ageing schedule.

Particulars	As at 31 March 2024						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 month -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	254.45	78.24	12.38	-	-	-	345.07
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	3.52	1.65	0.49	1.05	6.71
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.01	0.02	0.16	0.19
(vii) Unbilled dues	-	-	-	-	-	-	-
Less :- Provision for Doubtful debts	-	-	(3.52)	(1.66)	(0.51)	(1.21)	(6.90)
Total	**254.45**	**78.24**	**12.38**	**-**	**-**	**-**	**345.07**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

13. Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks:		
- In current accounts	3.64	2.50
Cash on hand	0.21	0.14
	3.85	**2.64**

14. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Earmarked balances with banks:		
Unpaid dividend account	0.33	0.57
Deposits with remaining maturity for more than 3 months but less than 12 months	1.48	2.37
Deposits with remaining maturity for less than 12 months against term loan (Refer note no 20 (d))	5.70	-
	7.51	**2.94**

15. Other financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Receivable from SIDCO (refer note -38 (b))	-	31.21
Export benefit receivable - considered good	27.48	34.43
EPR receivable - considered good	4.60	-
Government subsidies - considered good	8.19	18.17
Government subsidies - credit impaired	1.46	1.46
Less: Allowance for credit impairment	(1.46)	(1.46)
	8.19	**18.17**
Advances recoverable in cash	5.82	7.00
Forward contract receivables	0.90	0.09
Interest accrued on deposits	0.17	0.10
	47.16	**91.00**

16. Other current assets

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities #	22.31	24.50
Duty paid under protest	0.54	0.26
Prepaid expenses	3.74	3.58
Advances to suppliers	12.38	8.55
	38.97	**36.89**

During the previous year, the company has received a notice from Directorate General of Analytics & Risk Management (DGARM) for non-compliance relating to provision of rule 96(10)) of the CGST Rules. In response, the Company has deposited of amounting Rs. 3.21 crores.

17. Assets classified as held for sale

Particulars	As at 31 March 2025	As at 31 March 2024
Assets classified as held for sale (refer note below)	7.94	7.78
	7.94	**7.78**

(a) In the financial year 2022-23, the Plant and Equipment of the Captive Co-Generation Power Plant ('CGPP') were decommissioned and designated as "Assets held for sale" due to its lack of viability for continued operation. According to an agreement to sell with a customer, it was valued at Rs.15 crores (excluding GST), resulting in an impairment loss of Rs. 20.51 crores recorded during the same period. Subsequently, plant and equipment dispatches totalling Rs.7.5 crores (excluding GST) were completed upto 31 March 2024 leaving a remaining balance of Rs.7.5 crore categorized under Assets held for sale.

During the current financial year, the agreement could not be executed due to a dispute with the customer, who has initiated legal proceedings; however, the case has not been admitted by the court. In light of the customer's non-compliance with the contractual terms, the Company has canceled the agreement. Meanwhile, efforts are underway to identify alternate buyers, and the management remains confident of concluding the sale at the carrying value. No liability is attached to these assets.

(b) The Company decided to sell other obsolete plants & equipment's and building of Rs.0.44 crores (31 March 2024 0.28 crores), which were originally purchased for production, manufacturing and office. The Company is actively searching for buyers to sell these assets. No liability is attached to these assets.

Non – current fair value measurements :

Assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets was determined using expected market realizable value using past trend and management assessment. fair value measurement of assets held for sale is a level 3 measurement and key inputs under this approach are price per asset comparable for the machine in similar business and technology.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

18. Equity Share capital*

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised:		
500,000,000 equity shares of Rs.1/- each (31 March 2024: 500,000,000 of Rs.1/- each)	50.00	50.00
Issued, subscribed and fully paid up:		
163,828,620 equity Shares of Rs.1/- each (31 March 2024: 163,828,620 of Rs.1/- each)	16.38	16.38
	16.38	**16.38**

* All shares are fully paid up

a. Terms and rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, distribution of dividend is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year :

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Balance at the end of the year	**16,38,28,620**	**16.38**	**16,38,28,620**	**16.38**

c. Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There are no holding or ultimate holding company of the Company.

d. Shareholders holding more than 5% shares in the company

	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Percentage	No. of shares	Percentage
Ganges Securities Limited	3,04,16,970	18.57%	3,04,16,970	18.57%
Hargaon Investment & Trading Company Limited	1,71,13,960	10.45%	1,71,13,960	10.45%
New India Retailing and Investment Limited	1,70,63,040	10.42%	1,70,63,040	10.42%
Yashovardhan Investment and Trading Company Limited	1,48,68,360	9.08%	1,48,68,360	9.08%
Birla Institute of Technology and Science	1,12,86,580	6.89%	1,12,86,580	6.89%
The Hindustan Times Limited	98,03,690	5.98%	98,03,690	5.98%
Ronson Traders Limited	97,23,730	5.94%	97,23,730	5.94%

(All amounts are in Rupees Crore, unless otherwise stated)

18. Equity Share capital* (Contd.)

e. There are no shares which are issued for consideration other than cash during the period of five years immediately preceding the reporting date.

f. Disclosure of Shareholding of Promoters as below:

Shares held by promoters at the end of the year

S. No	Promoter name	As at 31 March 2025			As at 31 March 2024		
		No. of Shares	% of total shares	Change during the year	No. of Shares	% of total shares	Change during the year
1	Ganges Securities Limited	3,04,16,970	18.57%	-	3,04,16,970	18.57%	-
2	Hargaon Investment and Trading Co. Ltd.	1,71,13,960	10.45%	-	1,71,13,960	10.45%	-
3	New India Retailing & Investment Ltd.	1,70,63,040	10.42%	-	1,70,63,040	10.42%	-
4	Yashovardhan Inv.& Trading Co. Ltd.	1,48,68,360	9.08%	-	1,48,68,360	9.08%	-
5	Ronson Traders Ltd.	97,23,730	5.94%	-	97,23,730	5.94%	-
6	OSM Investment & Trading Co. Ltd.	63,88,200	3.90%	-	63,88,200	3.90%	-
7	Champaran Marketing Co. Ltd.	30,98,100	1.90%	-	30,98,100	1.90%	-
8	SCM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
9	RTM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
10	Sidh Enterprises Ltd.	11,94,240	0.73%	-	11,94,240	0.73%	-
11	SIL Investments Ltd.	7,50,000	0.46%	-	7,50,000	0.46%	-
12	Sonali Commercial Ltd.	2,84,350	0.17%	-	2,84,350	0.17%	-
13	Shri Chandra Shekhar Nopany	1,10,000	0.07%	-	1,10,000	0.07%	-
14	Uttam Commercial Ltd.	9,000	0.01%	-	9,000	0.01%	-
15	Shekhar Family Trust	1,00,050	0.07%	-	1,00,050	0.07%	-
16	Nandini Nopany	100	0.00%	-	100	0.00%	-
		10,47,78,660	**64.01%**		**10,47,78,660**	**64.01%**	

19. Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
a. **General reserve**		
Balance at the beginning of the year	208.06	208.06
Add: Amount transferred from retained earnings	-	-
Balance at the end of the year	**208.06**	**208.06**
b (i). **Retained earnings**		
Balance at the beginning of the year	740.05	891.04
Profit for the year	(84.20)	(134.61)
Less: Dividend on equity shares	-	(16.38)
Less: Amount transferred to general reserve	-	-
	655.85	**740.05**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

19. Other equity (Contd.)

Particulars	As at 31 March 2025	As at 31 March 2024
b (ii). Other comprehensive income		
Balance at the beginning of the year	11.76	8.22
Addition during the year	2.04	3.54
Balance at the end of the year	**13.80**	**11.76**
Sub total (b(i)+ b(ii))	**669.65**	**751.81**
	877.71	**959.87**

Nature and purpose of reserves/ other equity

General reserve

The Company appropriates a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Companies Act, 2013.

Retained earnings:

Retained earnings are the profit that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Other comprehensive income

Remeasurements of defined benefit plans represents the following as per Ind AS 19-Employee Benefits:

(a) actuarial gains and losses;

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Dividend

The following dividends were declared and paid by the Company:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
No dividend declared and paid during the year ended 31 March 2025 (31 March 2024 Rs. 1.00 per equity share of Rs.1 each paid)	-	16.38
	-	**16.38**

After the reporting date no dividend was proposed by the Board of Directors of the Company.

20. Non - Current Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Term loans (Secured)		
- From banks	324.66	275.41
	324.66	**275.41**

19. Other equity (Contd.)

a. Securities

Term loans are secured by first equitable mortgage ranking pari-passu over the Company's immovable properties situated at Bhawanimandi (Rajasthan), Kathua (Jammu & Kashmir), Baddi (Himachal Pradesh) and Daheli (Gujarat) and moveable assets (save and except book debts) both present and future, subject to prior charges created/to be created, in favour of bankers, on moveable assets including book debts to secure working capital borrowings.

b. Terms of repayment and interest are as follows :

Secured loan from	Repayment frequency	Year of maturity	Rate of interest p.a. (%)	As at 31 March 2025	As at 31 March 2024
Punjab National Bank, Kota	Quarterly	FY 2025	8.80	-	3.21
Bank of Maharashtra, Jaipur	Quarterly	FY 2026	8.95	18.74	43.75
Jammu & Kashmir Bank, Kathua	Quarterly	FY 2026-29	8.10	82.42	109.84
ICICI Bank, Kolkata	Quarterly	FY 2026-28	9.00 to 9.70	184.00	60.59
HDFC Bank, Jaipur	Quarterly	FY 2026-29	8.14 to 8.29	89.64	113.98
IndusInd Bank,	Quarterly	FY 2031	8.25	79.06	40.00
				453.86	**371.37**
Less : Current maturities of long term debt (refer note 25)				**129.20**	**95.96**
				324.66	**275.41**

c. The Company's exposure to interest rate, foreign currency and liquidity risk is included in note 45.

d. Fixed deposit less than 1 year of Rs 5.70 crores with Indusind bank against term loan (Refer note no 14).

21. Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Trade deposits	6.49	6.65
Employee security deposits	0.03	0.03
	6.52	**6.68**

22. Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provisions for employee benefit		
Provision for compensated absences	12.73	12.87
	12.73	**12.87**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

23. Deferred tax Assets (net)

A. Movement in deferred tax balances

Particulars	As at 31 March 2024	Recognized during the year	Utilised/re-measurement during the year	As at 31 March 2025
Deferred tax assets				
Unabsorbed Depreciation and Business Lossess	65.92	30.59	19.42	77.09
Disallowance u/s 43B of Income Tax Act, 1961	14.98	0.31	-	15.29
Provision for doubtful debts and others	4.87	0.56	-	5.43
Total (A)	**85.77**	**31.46**	**19.42**	**97.81**
Deferred tax liabilities				
Property, plant and equipment	118.79	-	28.46	90.33
Total (B)	**118.79**	**-**	**28.46**	**90.33**
Net deferred tax assets (B)-(A)	**33.02**	**(31.46)**	**9.04**	**(7.48)**

Particulars	As at 31 March 2023	Recognized during the year	Utilised during the year	As at 31 March 2024
Deferred tax assets				
Unabsorbed Depreciation and Business Lossess	-	65.92	-	65.92
Disallowances u/s 43B of Income Tax Act, 1961	14.46	0.52	-	14.98
Provision for doubtful debts and others	5.77	-	0.90	4.87
Total (A)	**20.23**	**66.44**	**0.90**	**85.77**
Deferred tax liabilities				
Property, plant and equipment	120.15	-	1.36	118.79
Total (B)	**120.15**	**-**	**1.36**	**118.79**
Net deferred tax liablities (B)-(A)	**99.92**	**(66.44)**	**0.46**	**33.02**

1.As of date, the Company has recognized deferred tax assets amounting to Rs.77.09 crores (31 March 2024 Rs 65.92 crore) , arising from unabsorbed depreciation and carried-forward tax losses. In accordance with the provisions of the Income Tax Act, 1961, tax losses can be carried forward as per below table. Based on the Company's business plans and projected profitability, management is confident in the recoverability of these deferred tax assets within the prescribed timeframe.

Particulars	Expiry Year	FY 24-25	FY 23-24
Unabsorbed depreciation FY 23-24	No Expiry	107.70	107.70
Business Loss during the FY 23-24	31 March 2033	78.46	78.46
Unabsorbed depreciation FY 24-25	No Expiry	90.29	-

2.Section 115BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Ordinance, 2019, allows any domestic company to pay income tax at the rate of 25.17%, effective from the fiscal year 2019-20, subject to the condition that they will not avail any incentives or exemptions. This new tax scheme provides an option for a lower tax base of 25.17%, while the existing tax rate is 34.94%. Based on the current estimate of the future projections, the Company expects to shift under new tax regime from FY 2028-29 and has re-measured its deferred tax balances. Consequently, credit of Rs. 7.00 crores has been recorded in the Statement of Profit and Loss during the year.

(All amounts are in Rupees Crore, unless otherwise stated)

23. Deferred tax Assets (net) (Contd.)

B. Amounts recognised in Statement of Profit and Loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax expense		
Current tax	-	-
Tax related to earlier years	-	0.73
	-	**0.73**
Deferred tax expense		
Origination and reversal of temporary differences	(41.60)	(68.81)
	(41.60)	**(68.81)**
Tax expenses	**(41.60)**	**(68.08)**

C. Amounts recognised in other comprehensive income

Particulars	For the year ended 31 March 2025			For the year ended 31 March 2024		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability	3.14	(1.10)	2.04	5.45	(1.91)	3.54
	3.14	**(1.10)**	**2.04**	**5.45**	**(1.91)**	**3.54**

D. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax from operations	**(125.80)**	**(202.69)**
Tax using the Company's domestic tax rate @ 34.94 % (31 March 2024: 34.94%)	(43.96)	(70.83)
Tax effect of:		
Non-deductible expenses	7.23	1.99
Income tax relating to earlier years	-	0.73
Effect of credit recognised on re- measurement of deferred tax balances {refer note 23 A (2)}	(7.00)	-
Others	2.13	0.03
Income tax expenses reported in the statement of profit and loss	**(41.60)**	**(68.08)**
Effective tax rate	**33.07%**	**33.59%**

24. Other non current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred government grants		
Capital subsidies on specific plant and machineries	1.85	2.88
	1.85	**2.88**
Movement of deferred government grants is as below:		
Balance at the beginning of the year	2.88	3.94
Grant amortized and transferred to statement of profit and loss	(1.03)	(1.06)
Balance at the end of the year	**1.85**	**2.88**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

25. Current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Loan repayable on demand (Secured)*		
- From banks	411.21	409.36
Bills discounted**	7.03	39.77
Current maturities of Long term debt (refer note 20)	129.20	95.96
Loan repayable on demand (Unsecured)		
HDFC Credit Card	3.87	3.76
	551.31	**548.85**

* Working capital facilities from banks are secured/to be secured by hypothecation of moveable's including book debts, both present and future, of the units, ranking pari-passu inter se.

** Bills discounted are secured against the books debts which have been discounted.

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

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	(Excess)/ Shortage	Whether return/ statement subsequently rectified
March 2024	Punjab National Bank, Jammu & Kashmir Bank, HDFC Bank, DBS Bank, DCB Bank, ICICI Bank, Federal Bank, Axis Bank and Kotak bank	Inventory net of trade payable	403.69	397.2	6.49	Yes*
March 2024		Trade Receivables	254.15	254.26	(0.11)	Yes*
June 2024		Inventory net of trade payable	395.26	392.36	2.90	Yes*
June 2024		Trade Receivables	267.02	267.02	-	Yes*
September 2024		Inventory net of trade payable	362.14	364.16	(2.02)	Yes*
September 2024		Trade Receivables	288.95	291.11	(2.16)	Yes*
December 2024		Inventory net of trade payable	377.18	380.89	(3.71)	Yes*
December 2024		Trade Receivables	250.12	253.73	(3.61)	Yes*

*The Company regularly submits provisional drawing power (DP) statements on a monthly basis to Punjab National Bank (PNB) being the lead bank by the 15th of the following month and also to other member banks. The DP limit is computed in accordance with the terms and conditions outlined in the sanction letter. Discrepancies between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory and debtors are done as per the bank sanction letter. During the current year the Company has submitted revised DP statements tallying with the books of accounts for the aforesaid periods. In FY24-25, the actual utilization of working capital remained within the bank sanction/DP limits.

(All amounts are in Rupees Crore, unless otherwise stated)

26. Trade Payables

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Total outstanding dues of micro enterprises and small enterprises and #	28.51	15.23
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*	130.89	135.76
Total	**159.40**	**150.99**
Note		
The Company's exposure to credit and currency risk, and loss allowances related to trade payable is disclosed in note 45.		
* Trade payable includes due from related parties, refer note 44.		
# Dues to Micro Enterprises and Small Enterprises (as per the intimation received from vendors):		
a. Principal and interest amount remaining unpaid	28.51	15.23
b Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day. .	-	-
c. Interest due to payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.		
d Interest accrued and remaining unpaid. .	-	-
e. Interest remaining due to payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.		
	28.51	**15.23**

f. Trade Payables ageing schedule

Particulars	As at 31 March 2025					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.15	19.25	0.11	-	-	28.51
(ii) Others	51.84	72.62	2.38	0.92	3.13	130.89
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**60.99**	**91.87**	**2.49**	**0.92**	**3.13**	**159.40**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

26. Trade Payables (Contd.)

g. Trade Payables ageing schedule

Particulars	As at 31 March 2024					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.00	3.23	-	-	-	15.23
(ii) Others	68.62	59.12	1.35	1.91	4.76	135.76
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**80.62**	**62.35**	**1.35**	**1.91**	**4.76**	**150.99**

27. Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Unpaid dividend	0.33	0.57
Interest accrued and due on borrowings	1.12	1.41
Employees related liabilities	50.35	49.28
Creditors for capital goods	1.15	0.35
Current portion of deferred payment liabilities	-	1.15
Security deposits (Including Retention money)	1.73	1.56
Director's commission	0.54	0.63
Others	1.60	2.37
	56.82	**57.32**

28. Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Contract liabilities	7.58	6.60
Advance against assets held for sale #	3.14	3.14
Statutory dues	9.08	8.99
Current portion of gain on deferred payment liabilities	-	0.32
	19.80	**19.05**

Advance received against sale of Captive Co-Generation Power Plant ('CGPP') (refer note 17 a) .

(All amounts are in Rupees Crore, unless otherwise stated)

29. Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provisions for employee benefit :		
Compensated absences	2.97	2.93
Gratuity (refer note 43)	4.50	2.32
Others		
Others - contingencies	8.14	7.98
	15.61	**13.23**

Others - Contingencies

Provision for disputed statutory matters have been made, where the Company anticipates probable outflow. The amount of provision is based on estimate made by the Company considering the facts and circumstances of each case. The timing and amount of cash flow will be determined by the relevant authorities on settlement of cases.

The movement of provisions is presented below:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	7.98	7.98
Provision made during the year	0.17	0.17
Provision reversed/paid during the year	(0.01)	0.17
Balance at the end of the year	**8.14**	**7.98**

30. Revenue from operations

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of textile products (net of taxes)		
Manufactured goods	2,503.08	2,508.49
Traded goods	53.05	71.83
Total (i)	**2,556.13**	**2,580.32**
Sale of services		
Job processing	32.12	37.93
Others	2.02	3.02
Total (ii)	**34.14**	**40.95**
Total [(iii) = (i) + (ii)]	**2,590.27**	**2,621.27**
Other operating revenue		
Export incentives	42.07	50.45
Extended Producers Responsibility Credits (EPR) Income	10.02	-
Total (iv)	**52.09**	**50.45**
Revenue from operations [(iii) + (iv)]	**2,642.36**	**2,671.72**

Disaggregation of revenue from contract with customers

Type of service: The Company earns revenue primarily from selling of textile products and job work processing.

Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amounts are in Rupees Crore, unless otherwise stated)

30. Revenue from operations (Contd.)

Recognition:

a. Revenue from sale of goods is recognised when the performance obligation is satisfied. Revenue is recognised at point in time.

b. Revenue from sale of services is recognised over point of the time.

c. Revenue from other operating revenue is recognised when the performance obligation is satisfied.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

A Revenue Stream

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of textile products (net of taxes)		
Manufactured goods	2,503.08	2,508.49
Traded goods	53.05	71.83
Sale of services		
Job processing	32.12	37.93
Others	2.02	3.02
Other operating revenue		
Export incentives	42.07	50.45
Extended Producers Responsibility Credits	10.02	
Revenue from operation	**2,642.36**	**2,671.72**

B Disaggregation of revenue from contracts with customers

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Geographical wise		
India	1,666.76	1,584.41
Outside India	923.51	1,036.86
Revenue from operation excluding other operating income	**2,590.27**	**2,621.27**
Timing of revenue recognisation		
Product transferred at point of time	2,556.13	2,580.32
Services transferred over time	34.14	40.95
Revenue from operation excluding other operating income	**2,590.27**	**2,621.27**

C Reconciliation of revenue recognised with contract price

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue as per contract price	2,601.47	2,631.78
Adjustment for:		
Discount	8.85	7.38
Rebate and liability claim	2.35	3.13
Total Revenue from contract price (excluding operating income)	**2,590.27**	**2,621.27**

30. Revenue from operations (Contd.)

D Performance obligation

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

E Contract balances

The following table provide information about receivable and contract liabilities from contract with customers.

	For the year ended 31 March 2025	For the year ended 31 March 2024
Receivables, which are included in "trade receivable"	345.94	345.07
Contract liabilities	7.58	6.60

The contract liabilities primary relate to the advance consideration recevied from customers for sales of products, for which revenue is recognised on point of time. The amount of Rs. 6.60 crores included in contract liabilities as at 31 March 2024 has been recognised as revenue during the year ended 31 March 2025.

31. Other income

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.26	0.06
- from others	8.17	9.02
Dividend from preference shares	-	1.33
Profit on sale/discard of property, plant and equipment (net)	4.32	2.13
Foreign currency transactions and translation (net)	0.37	1.48
Sundry credit balances written back (net)	1.58	0.11
Insurance claims	0.26	0.99
Deferred government grants (refer note 24)	1.03	1.06
Miscellaneous income	6.62	8.05
	22.61	**24.23**

32. Cost of materials consumed

	For the year ended 31 March 2025	For the year ended 31 March 2024
Raw material consumed	1,402.13	1,341.60
Consumption of dyes and chemicals	87.02	90.76
	1,489.15	**1,432.36**

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

33. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Closing inventory		
Work-in-progress	110.69	100.29
Finished goods	144.66	139.07
Stock- in- trade	-	-
Wastage material	12.37	12.69
Total (A)	**267.72**	**252.05**
Opening inventory		
Work-in-progress	100.29	131.03
Finished goods	139.07	293.58
Stock- in- trade	-	0.51
Wastage material	12.69	5.64
Total (B)	**252.05**	**430.76**
Total (B-A)	**(15.67)**	**178.71**

34. Employee benefits expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	394.58	365.80
Contribution to provident and other funds	38.75	39.23
Staff welfare expenses	4.68	4.22
	438.01	**409.25**

35. Finance costs @

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expenses #	60.14	61.62
Exchange difference on the principal amount of foreign currency borrowing. *	0.63	0.64
Other borrowing costs	0.71	0.89
	61.48	**63.15**

@ Net of amount capitalized refer note 42 and note 3A

Net of interest subsidies under various schemes amounting to Rs 2.28 crores (31 March 2024 Rs.2.49 crores).

*Exchange differences on the principal amount of the foreign currency borrowings to the extent that they are regarded as an adjustment to borrowing costs have been disclosed as "Finance costs".

36. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation on property, plant and equipment (refer note 3A)	109.17	114.66
Amortisation on intangible assets (refer note 4)	0.57	0.62
Depreciation on right-of-use assets (refer note 3C)	0.06	0.05
	109.80	**115.33**

37. Other expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024
Processing and job charges	2.28	1.48
Consumption of stores, spares and consumables	101.48	97.90
Power, fuel and water charges	303.78	294.55
Rent	1.43	1.46
Insurance	8.66	9.28
Rates and taxes	0.65	0.79
Repairs and maintenance:		
Buildings	6.21	6.07
Plant and machineries	40.33	39.06
Others	2.97	2.89
Freight and forwarding expenses	87.53	78.19
Selling commission and brokerage	31.82	29.55
Charity and donation ##	0.53	0.04
Loss allowance for doubtful debts / write off (refer note 45 II (ii))	3.73	2.11
Provision for expected credit loss	-	0.02
Director's commission and fees	0.25	0.99
Travelling expenses	6.33	7.77
Vehicle expenses	7.83	7.98
Corporate social responsibility expenses (refer below note)	1.01	2.17
Miscellaneous expenses #	29.16	30.29
	635.98	**612.59**
# includes auditor's remuneration (net of taxes)		
As auditor:		
Statutory audit fee	0.66	0.66
Other Capacity	0.28	0.20
Re-imbursement of expenses	0.11	0.12
	1.04	**0.98**

31 March 2025 includes 0.50 crore (31 March 2024 Rs. Nil) given to Samaj Electoral Trust Association.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

37. Other expenses (Contd.)

Details of corporate social responsibility expenses

As per Section 135 of Companies Act, 2013, a Company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the Company as per act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the Companies Act, 2013 in pursuant of the CSR policy.

	For the year ended 31 March 2025	For the year ended 31 March 2024
(i) Gross amount required to be spend during the year	0.96	2.29
Less Surplus arising out of the CSR activities of the previous financial years 2021-22, set-off during the previous year (Approved by BOD)	-	0.13
Net CSR obligation for the year	**0.96**	**2.16**
(ii) Amount spent during the year $		
(a) Construction/ acquisition of any asset	0.71	0.83
(b) On purpose other than (a) above	0.30	1.34
	1.01	**2.17**

$ Above amount spent for health care & sanitation, promotion of sports activities ,rural development & social welfare, animal welfare , promotion of education and others.

38. Exceptional items

	For the year ended 31 March 2025	For the year ended 31 March 2024
Exceptional items	22.70	18.96
	22.70	**18.96**

(a) The Company carried out impairment assessment of its investment in wholly owned subsidiary (including step down subsidiary) in accordance with Ind AS 36 and compared the carrying value of investments with their recoverable amounts. The recoverable amount is determined based on the value in use derived from discounted forecast cash flow model performed by an independent valuer. The carrying amount of the investment in wholly owned subsidiary (including step down subsidiary) is determined to be higher than its recoverable amount and an impairment loss of Rs.22.70 crores (31.March 2024 Rs.10.51 crores) is recognised during the year ended 31 March 2025 (refer note 5).

(b) During the previous year, due to challenging market conditions in the spinning industry, the Company decided not to proceed with the greenfield expansion project, which had been approved by the Board of Directors (BOD). The land allotted for the project was surrendered, and as per the agreement, a surrender fee of 20% of the land premium (Rs. 7.68 crores) was written off. Additionally, lease rent and other expenses amounting to Rs. 0.77 crores were written off. The total amount written off, Rs. 8.45 crores, has been disclosed as an "Exceptional items".

39. Earning per share

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit for the year	(84.20)	(134.61)
Weighted average number of equity shares of Rs. 1/- each	16,38,28,620	16,38,28,620
Basic and diluted earning per share (in Rs.)	**(5.14)**	**(8.22)**

40. Contingent liabilities and commitments

Particulars	As at 31 March 2025	As at 31 March 2024
A. Contingent liabilities (to the extent not provided for) in respect of:		
1. Claim against the Company not acknowledged as debts:		
Labour matters (including matter in respect of which stay granted by respective Hon'ble High Court), except for which the liability is unascertainable	4.11	4.18
2. Other matters for which the Company is contingently liable:		
a) Demand raised by excise department for various matters	-	0.07
b) Demand raised by GST department for various matters {refer note 40[A(5)]}	9.34	3.39
c) Bank Guarantee given for American Silk Mills*	20.54	20.00

* The Company's has issued a stand by letter of credit to its step down subsidiary for obtaining credit facilities for general corporate purposes

3. Liability of customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to Rs. 7.84 crores (31 March 2024: Rs.7.43 crores).

   The Company had imported Capital goods under EPCG and saved the custom duty. As per the EPCG terms and conditions, Company needs to export Rs. 31.01 crores (31 March 2024: Rs.35.13 crores) i.e. 6 times (25% of 6 times in case of Jammu & Kashmir) of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the Company does not export goods in prescribed time, then the Company may have to pay interest and penalty thereon.

   Note: (i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above matters, timing of the cash outflows can be determined only on receipt of judgments/ decisions pending with various forums/ authorities.

   Note: (ii) The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required, and disclosures are made for contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position . The Company does not expect any reimbursements in respect of the above contingent liabilities.

4 During the financial year 2022-23, The Company filed a writ petition with the Honourable High Court of Chhattisgarh against South Eastern Coal Field Limited (SECL) in relation to an unfulfilled commitment for coal supply and the issuance of debit notes amounting to Rs. 1.85 crore (including GST) for non-lifting of coal under the Minimum Guaranteed Offtake (MGO) clause. The Honourable High Court directed the matter for settlement. However, in the previous financial year, the Company withdrew the petition as the Settlement Committee did not grant any relief. Subsequently, the Company filed a fresh writ petition in the High Court against both SECL and Indian Railways. In the current financial year, the Honourable High Court ruled against the Company. Consequently, the Company is in the process of filing a civil suit before the Court in Bilaspur.

5 During the previous year, the company has received a notice from Directorate General of Analytics & Risk Management (DGARM) for non-compliance relating to provision of rule 96(10)) of the CGST Rules. Basis of legal opinion obtained, the company is contesting for relief of interest and penalty ,with no anticipated adverse implications on the company.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

40. Contingent liabilities and commitments (Contd.)

B. Commitments

	As at 31 March 2025	As at 31 March 2024
a) Estimated amount of contracts remaining to be executed on capital account [net of advances] not provided for	8.09	24.95

41. Segment information

A. Description of segments and principal activities

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's internal reporting structure. The Board of Directors has been identified as the chief operating decision maker ('CODM'), since Board of Directors is responsible for all major decision with respect to the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility, etc. The Company's board examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

a) **Yarn:** It comprises of recycle polyester staple fibre, cotton and man made fibres yarn;

b) **Home textiles:** It comprises of home furnishing and fabric processing

The Company's board reviews the results of each segment on a quarterly basis. The Company's board of directors uses segment result to assess the performance of the operating segments.

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment's earnings before interest and tax (EBIT) is used to measure the segment's performance because management believes that this information is the most relevant to evaluate the results of the respective segments for comparing it with other entities that operate in the same industries.

Reportable Segments	Yarn		Home textiles		Total	
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
External revenues	2,484.76	2,492.60	160.60	182.80	2,645.36	2,675.40
Inter-segment revenue	3.00	3.68	-	-	3.00	3.68
Segment revenue	**2,481.76**	**2,488.92**	**160.60**	**182.80**	**2,642.36**	**2,671.72**
Segment result	(19.68)	(104.92)	(20.26)	(15.19)	(39.94)	(120.11)
Finance costs					61.48	63.15
Exceptional items (refer note 38)					22.70	18.96
Unallocated corporate expense (net of incomes)					1.68	0.47
Profit before tax					**(125.80)**	**(202.69)**
Tax expense					(41.60)	(68.08)
Profit after tax					**(84.20)**	**(134.61)**

(All amounts are in Rupees Crore, unless otherwise stated)

41. Segment information (Contd.)

Other information

	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at 31 March 2025						
Yarn	1,782.69	-	1,782.69	797.83	-	797.83
Home textiles	210.98	-	210.98	103.84	-	103.84
Unallocated	-	49.68	49.68		247.59	247.59
Total	**1,993.67**	**49.68**	**2,043.35**	**901.67**	**247.59**	**1,149.26**
As at 31 March 2024						
Yarn	1,850.66	-	1,850.66	767.21	-	767.21
Home textiles	222.43	-	222.43	77.14	-	77.14
Unallocated	-	24.03	24.03		276.52	276.52
Total	**2,073.09**	**24.03**	**2,097.12**	**844.35**	**276.52**	**1,120.87**

	Capital expenditure	
	Segment capital expenditure	Total capital expenditure
As at 31 March 2025		
Yarn	62.69	62.69
Home textiles	2.37	2.37
Total	**65.06**	**65.06**
As at 31 March 2024		
Yarn	51.18	51.18
Home textiles	4.53	4.53
Total	**55.71**	**55.71**

C. Geographic information

The Yarn and Home Textile segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices, primarily, in India. The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

41. Segment information (Contd.)

a) Revenues from different geographies

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Domestic	1,669.76	1,588.09
Export *	923.51	1,036.86
	2,593.27	**2,624.95**
Other operating income	52.09	50.45
Segment revenue	**2,645.36**	**2,675.40**
Export		
Bangladesh	251.49	212.79
Turkey	132.70	244.79
USA	76.21	49.14
Hong Kong	39.94	55.67
Singapore	21.51	28.03
Rest of the World	401.66	446.44
	923.51	**1,036.86**

b) Non-current assets**

Particulars	As at 31 March 2025	As at 31 March 2024
India	1,048.68	1,095.28
Rest of the world	-	-
	1,048.68	**1,095.28**

** Non-current assets exclude investments ,loan and tax assets

42. Borrowing cost

During the year, Company has capitalized borrowing cost amounting to Rs.0.09 crores (31 March 2024: Rs.1.06 crores) under head plant and equipment and building . The capitalisation rate used to determine the amount of borrowing cost for capitalisation purpose is weighted average interest rate to the company i.e. 8.20% (31 March 2024 7.96%). Details of capitalisation is as below:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Plant and equipment	0.09	1.04
Buildings	-	0.01
Others	-	0.01
	0.09	**1.06**

(All amounts are in Rupees Crore, unless otherwise stated)

43. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined contribution plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of specified employment benefit expenses to the benefit plans.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Contribution to provident fund	24.92	25.12
Contribution to employee's state insurance	5.29	5.39

(ii) Defined benefit plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. Gratuity liability (other than for Baddi units) is being contributed to the gratuity fund formed by the Company and in case of Baddi unit, company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out at 31 March 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. **Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation:

Particulars	As at and for the year ended 31 March 2025			As at and for the year ended 31 March 2024		
	Present value of the obligation	Fair value of the planned Assets	Total	Present value of the obligation	Fair value of the planned Assets	Total
Balance at the beginning of the year	**58.15**	**55.83**	**2.32**	**55.67**	**51.67**	**4.00**
Amount Recognised in profit and loss						
Current service cost	7.63	-	7.63	7.43	-	7.43
Interest cost	4.13	(3.97)	0.16	4.12	(3.81)	0.31
	11.76	**(3.97)**	**7.79**	**11.55**	**(3.81)**	**7.74**
Remeasurement						
Actuarial loss (gain) arising from:						-
- Changes in financial assumptions	0.61	-	0.61	1.66	-	1.66
- Changes in demographic assumption	-	-	-	-	-	-
- Changes in experience adjustment	(3.60)	-	(3.60)	(5.13)	-	(5.13)
Return on plan assets recognised in OCI	-	(0.15)	(0.15)	-	(1.98)	(1.98)

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

43. Employee benefits (Contd.)

Particulars	As at and for the year ended 31 March 2025			As at and for the year ended 31 March 2024		
	Present value of the obligation	Fair value of the planned Assets	Total	Present value of the obligation	Fair value of the planned Assets	Total
Total amount recognised in OCI	**(2.99)**	**(0.15)**	**(3.14)**	**(3.47)**	**(1.98)**	**(5.45)**
Contributions paid by the employer	-	2.44	-	-	3.98	-
Benefits paid	(7.60)	(7.60)	-	(5.60)	(5.60)	-
Interest income	-	4.15	-	-	5.78	-
Balance at the end of the year	**59.32**	**54.82**	**4.50**	**58.15**	**55.83**	**2.32**

B. **Plan assets**

For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets:

Particulars	Amounts		% Composition	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
State/ Govt. of India securities	7.44	8.80	14%	16%
Corporation Bonds/ Fixed deposits with Banks	4.54	4.00	8%	7%
Special Deposit Scheme with Bank	3.51	3.51	6%	6%
HDFC Group unit linked plan-Option B	27.19	27.72	50%	50%
Other Investments- UTI Master Shares	4.59	4.67	8%	8%
Life Insurance Corporation Fund	6.40	6.43	12%	12%
Others Refundable net	1.15	0.70	2%	1%
	54.82	**55.83**	**100%**	**100%**

C. **Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.99%	7.10%
Expected rate of future salary increase	6.00%	6.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rates at ages:-		
- Up to 30 years	3%	3%
- From 31 to 44 years	2%	2%
- Above 44 years	1%	1%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Company expects to pay Rs. 11.25 crores (Previous year Rs.9.07 crores) in contribution to its defined benefit plans in the next year

(All amounts are in Rupees Crore, unless otherwise stated)

43. Employee benefits (Contd.)

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points movement)	(4.64)	1.19	(2.90)	3.16
Expected rate of future salary increase (50 basis points movement)	1.21	(4.67)	3.17	(2.94)
Attrition rate	0.11	(0.11)	0.09	(0.09)
Mortality	0.01	(0.01)	0.01	(0.01)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as regards rate of inflation, rate of increase in payment of pensions, rate of increase in payment of pensions before retirement and life expectancy are not applicable being a lump sum benefit payables on retirement. Although, the analysis does not take account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions disclosed above.

E. Maturity profile of defined benefit obligation

Year	As at 31 March 2025	As at 31 March 2024
0 to 1 year	6.75	6.12
1 to 2 year	1.67	1.84
2 to 3 year	2.02	1.74
3 to 4 year	2.69	3.02
4 to 5 year	2.88	2.53
5 to 6 year	2.97	2.71
6 year onwards	40.34	40.19

F. Description of risk exposures:

Defined benefit plans expose the Company to below actuarial risks :

Changes in bond yields: Decrease in bond yields will increase plan liabilities, although this will partially be offset by the increase in value of the plan assets.

Life expectancy: Defined benefit obligations are to provide benefits for the life of the members of the plan, so increase in life expectancy will result in increase in plan's liabilities. This is particularly significant where inflationary increase results in higher sensitivity to the changes in life expectancy.

Asset Volatility: Asset volatility is the risk when assets underperform in comparison to the bond yield, then this create asset deficit.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

44. Related parties*

A. Related parties and their relationships

i Subsidiaries of the Company

Sutlej Holdings, Inc (wholly owned subsidiary)

American Silk Mills, LLC (step-down subsidiary)

ii Entity in which KMP has significant influence where transactions have taken place during current and previous year

Avadh Sugar and Energy Limited

iii Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. C. S. Nopany	Executive Chairman
Mr. U. K. Khaitan	Non-executive Director (till 22nd Aug 2024)
Mr. Amit Dalal	Non-executive Director (till 22nd Aug 2024)
Mr. Rajan Dalal	Non-executive Director (till 22nd Aug 2024)
Mr. Rajiv K.Podar	Non-executive Director (till 22nd Aug 2024)
Smt. Sonu Bhasin	Non-executive Director
Mr. Ashok Mittal	Non-executive Director
Mr. Rohit Dhoot	Non-executive Director
Mr. Arhant Vikram Nopany	Non-executive Director (Wef 30th July 2024)
Mr. Sameer Kaji	Non-executive Director (Wef 9th May 2024)
Ms. Deepa Kapoor	Non-executive Director (Wef 9th May 2024)
Mr. Rajib Mukhopadhyay	Chief Financial Officer (Wholetime Director till 23rd March 2025)
Mr. Ashish Kumar Srivastava	Wholetime Director and Chief Executive Officer (Wef 24th March 2025)
Mr. Updeep Singh Chatrath	President and Chief Executive Officer (till 21st July 2023)
Mr. Suresh Kumar Khandelia	Advisor to Executive Chairman (till 31st March 2025)

iv Post employment benefit entity:

Sutlej Textiles and Industries Employee Gratuity Fund

(All amounts are in Rupees Crore, unless otherwise stated)

44. Related parties* (Contd.)

B. Transactions with the above in the ordinary course of business

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a) Transaction with Sutlej Holdings Inc. (wholly owned subsidiary company)		
Investment in Equity shares	28.30	-
Interest on loan	0.44	-
Loan given	6.42	-
Impairment loss recognised on Investment	22.70	10.51
b) Transactions with American Silk Mills, LLC		
Sales of goods	2.60	2.34
Miscellaneous income	0.21	0.21
Stand by Letter of Credit to American Silk Mills, LLC from ICICI Bank Ltd. (USD 24,00,000)	20.54	20.00
c) Transactions with Avadh Sugar and Energy Ltd		
Reimbursement of expenses	2.47	4.35
d) Remuneration to Key Managerial Personnel		
Mr. C S Nopany		
- Short-term employee benefits	3.00	3.00
Mr. Updeep Singh Chatrath		
- Short-term employee benefits	-	1.04
- Post-employment benefits	-	0.05
Mr. Suresh Kumar Khandelia		
- Short-term employee benefits	6.00	4.13
Mr. Rajib Mukhopadhyay		
- Short-term employee benefits	1.40	1.36
- Post-employment benefits	0.10	0.07
Mr. Ashish Kumar Srivastava		
- Short-term employee benefits	0.10	-
- post-employment benefits	0.00	-
e) Director sitting fees		
Mr. C. S. Nopany	0.03	0.03
Mr. U. K. Khaitan	0.02	0.04
Mr. Amit Dalal	0.02	0.04
Mr. Rajan Dalal	0.02	0.03
Mr. Rajiv K.Podar	0.02	0.04
Smt. Sonu Bhasin	0.04	0.04
Mr. Rohit Dhoot	0.04	0.04
Mr. Arhant Vikram Nopany	0.04	-
Mr. Sameer Kaji	0.04	-
Ms. Deepa Kapoor	0.04	-
Mr. Ashok Mittal	0.05	0.03

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

44. Related parties* (Contd.)

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
f)	**Director commission**		
	Mr. U. K. Khaitan	-	0.10
	Mr. Amit Dalal	-	0.10
	Mr. Rajan Dalal	-	0.10
	Mr. Rajiv K.Podar	-	0.10
	Smt. Sonu Bhasin	0.10	0.10
	Mr. Rohit Dhoot	0.10	0.10
	Mr. Arhant Vikram Nopany	0.10	-
	Mr. Sameer Kaji	0.10	-
	Ms. Deepa Kapoor	0.10	-
	Mr. Ashok Mittal	0.10	0.10
g)	**Contribution to Post employment benefit entity**		
	Sutlej Textiles and Industries Employee Gratuity Fund	2.44	3.98

C. Balances outstanding

Particulars	As at 31 March 2025	As at 31 March 2024
Investments		
Sutlej Holdings Inc.(Net of Impairment) (refer note -5)	20.74	15.14
Trade Receivables		
American Silk Mills, LLC	1.76	1.10
Avadh Sugar and Energy Limited	-	0.00**
Loan Receivables (including interest)		
Sutlej Holdings Inc.	7.04	-

**The total amount of trade receivables in absolute value is Rs. 28,359, but for reporting purpose rounded up to Rs. 0.0 crores

Payables		
Avadh Sugar and Energy Limited	0.76	1.08
Mr. C S Nopany :		
Remuneration	0.25	-
Short-term employee benefits payables		
Mr. Suresh Kumar Khandelia	0.50	0.50
Mr. Rajib Mukhopadhyay	0.11	0.11
Mr. Ashish Kumar Srivastava	0.10	-
Post employment benefit payables		
Mr. Ashish Kumar Srivastava	-	-
Mr. Rajib Mukhopadhyay	0.20	0.11

(All amounts are in Rupees Crore, unless otherwise stated)

44. Related parties* (Contd.)

Particulars	As at 31 March 2025	As at 31 March 2024
Director Commission Payables (Including TDS deducted):		
Mr. U.K. Khaitan	-	0.10
Mr. Amit Dalal	-	0.10
Mr. Rajan Dalal	-	0.10
Mr. Rajiv K. Podar	-	0.10
Ms. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr. Arhant Vikram Nopany	0.10	-
Mr. Sameer Kaji	0.10	-
Ms. Deepa Kapoor	0.10	-
Mr. Ashok Mittal	0.10	0.10
Payables		
Sutlej Textiles and Industries Employee Gratuity Fund	3.28	1.69
Letter of Credit		
Stand by Letter of Credit to American Silk Mills, LLC from ICICI Bank Ltd. (USD 24,00,000)***	20.54	20.00

* Transactions with related parties are conducted on an arm's length basis.

*** The loan for which letter of credit issued has been fully paid by step down subsidiary.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

45. Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	As at 31 March 2025		As at 31 March 2024	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
Equity shares of JNSB*	0.00	-	0.00	-
Equity Shares of Sutlej Holdings Inc	-	20.74	-	15.14
Loan	-	7.04	-	-
Other non-current financial assets	-	13.42	-	14.92
Trade receivables	-	345.94	-	345.07
Cash and cash equivalents	-	3.85	-	2.64
Bank balances other than Cash and cash equivalents	-	7.51	-	2.94
Other current financial assets	0.90	46.26	0.09	90.91
	0.90	**444.76**	**0.09**	**471.62**
Financial liabilities				
Non -Current Borrowings	-	324.66	-	275.41
Lease liabilities	-	0.56	-	0.57
Other non-current financial liabilities	-	6.52	-	6.68
Short terms borrowings	-	551.31	-	548.85
Trade payables	-	159.40	-	150.99
Other current financial liabilities	-	56.82	-	57.32
	-	**1,099.27**	**-**	**1,039.82**

*The total amount of investments in absolute value is Rs. 5,000 (31 March 2024: Rs. 5,000), for reporting purpose rounded up to Rs. 0.0 Crores.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

There are no transfers made between level 1 and level 2 during the year.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined as per values provided by banks
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and preference shares, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

45. Financial instruments – Fair values and risk management (Contd.)

B. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value, and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

	Level 1	Level 2	Level 3	Total
As at 31 March 2025				
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative Assets	-	0.90	-	0.90
Total	**-**	**0.90**	**0.00**	**0.90**
As at 31 March 2024				
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative Assets	-	0.09	-	0.09
Total Financial Assets	**-**	**0.09**	**0.00**	**0.09**

*The total amount of investments in absolute value is Rs. 5,000, but for reporting purpose rounded up to Rs. 0.0 crores

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There are no transfers made between level 1 and level 2 during the year

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

45. Financial instruments – Fair values and risk management (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

	Unlisted equity shares*		Unlisted preference shares	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	0.00	0.00	-	1.24
Gain/(losses) recognised in statement of profit or loss	-	-	-	0.06
Redemption of Preference shares	-	-	-	(1.30)
Balance at the end of the year	0.00	0.00	-	-

*The total amount of investments in absolute value is Rs. 5,000, but for reporting purpose rounded up to Rs. 0.0 crores

Valuation inputs and relationships to fair value

Type of financial instrument	Fair Value as at		Significant unobservable inputs	Probability-weighted range
	As at 31 March 2025	As at 31 March 2024		
Unquoted preference shares in M/s Palash Securities Limited *	-	-	-	-
Unquoted equity shares (In equity shares of Co-operative Bank: The Jhalawar Nagrik Sahkari Bank Ltd., Bhawanimandi**)	-	-	-	-

* This was redeemed during the previous year.

** The total amount of investments in absolute value is Rs. 5,000 (31 March 2024: Rs. 5000), for reporting purpose rounded up to Rs. 0.0 crores. Sensitivity analysis of unlisted equity shares has been ignored being not material.

Valuation process

The Company involves independent valuer to carry out the valuation of the investments, required for financial reporting purposes, including level 3 fair values. The main level 3 inputs for unlisted preference shares used by the Company are derived and evaluated as follows:

- Risk adjusted discount rates are estimated based on expected cash inflows arising from the instrument and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and 3 fair values are analysed at the end of each reporting year.

45. Financial instruments – Fair values and risk management (Contd.)

C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investment in equity shares of Sutlej Holdings Inc	81.13	20.74	52.83	15.14
Loan	7.04	7.04	-	-
Other non-current financial assets	13.42	13.42	14.92	14.92
Trade receivables	345.94	345.94	345.07	345.07
Cash and cash equivalents	3.85	3.85	2.64	2.64
Bank balances other than above	7.51	7.51	2.94	2.94
Other current financial assets	46.26	46.26	90.91	90.91
	505.15	**444.76**	**509.31**	**471.62**
Financial liabilities				
Borrowings	324.66	324.66	275.41	275.41
Lease liabilities	0.56	0.56	0.57	0.57
Other non-current financial liabilities	6.52	6.52	6.68	6.68
Short term borrowings	551.31	551.31	548.85	548.85
Trade payables	159.40	159.40	150.99	150.99
Other current financial liabilities	56.82	56.82	57.32	57.32
	1,099.27	**1,099.27**	**1,039.82**	**1,039.82**

Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of Rs.11.36 crores at 31 March 2025 (31 March 2024: Rs.5.58 crores). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties, which are rated A1 , based on India ratings. Impairment on cash and cash equivalents and other bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. There is no impairment allowance at 31 March 2025 and 31 March 2024.

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated A1, based on India ratings

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk and
- Market risk

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

45. Financial instruments – Fair values and risk management (Contd.)

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of properly defined risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.The Company's management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if such information is available, and in some cases bank references. Credit limits are established for each customer and reviewed quarterly. Any credit exceeding those limits require approval from the Chief financial officer of the Company.

To monitor customer credit risk, customers are reviewed in terms of their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

During the year, the Company has made write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal options for recovery of dues wherever necessary based on its internal assessment

Reconciliation of loss allowance provision – Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	(6.90)	(4.79)
Less :Provision for doubtful debts written back	-	-
Add: Allowance for credit impaired	(3.73)	(2.11)
Bad debts	0.69	-
Balance at the end of the year	**(9.94)**	**(6.90)**

(All amounts are in Rupees Crore, unless otherwise stated)

45. Financial instruments – Fair values and risk management (Contd.)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when liabilities are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of fund through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary at units level to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The Company have access to the following undrawn borrowing facilities as at reporting date:

Particulars	As at 31 March 2025	As at 31 March 2024
Floating rate		
Expiring within one year (credit limit and other facilities)	26.76	59.69
Expiring within one year (Term loans)	60.00	140.00
	86.76	**199.69**

The credit limit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rupees and have an average maturity of 2 Years 7 Months as at 31 March 2025 (31 March 2024 - 3 years and 0 months).

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

45. Financial instruments – Fair values and risk management (Contd.)

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts	Contractual cash flows			
		Total	Less than 12 months	1–5 years	More than 5 years
As at 31 March 2025					
Non-derivative financial liabilities					
Borrowings	324.66	324.66	-	311.36	13.30
Lease liabilities	0.56	0.56	-	0.06	0.50
Other non-current financial liabilities	6.52	6.52	-	0.03	6.49
Short term borrowings	551.31	551.31	551.31	-	-
Trade payables	159.40	159.40	159.40	-	-
Other current financial liabilities	56.82	56.82	56.82	-	-
Total financial liabilities	**1099.27**	**1099.27**	**767.53**	**311.45**	**20.29**
As at 31 March 2024					
Non-derivative financial liabilities					
Borrowings	275.41	275.41	-	262.08	13.33
Lease liabilities	0.57	0.57	-	0.06	0.51
Other non-current financial liabilities	6.68	6.68	-	0.03	6.65
Short term borrowings	548.85	548.85	548.85	-	-
Trade payables	150.99	150.99	150.99	-	-
Other current financial liabilities	57.32	57.32	57.32	-	-
Total financial liabilities	**1039.82**	**1039.82**	**757.16**	**262.17**	**20.49**

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives such as forward contracts to manage market risks on account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out as per guidelines of the Management.

a. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD , EUR, CHF and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Rupees). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rupees cash flows of highly

45. Financial instruments – Fair values and risk management (Contd.)

probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Company also consults external experts for their views on the currency rates in volatile foreign exchange markets.

Currency risks related to payables and receivables denominated in foreign currencies have been partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates whenever, necessary, to address short-term imbalances.

(i) Exposure to currency risk

The quantitative data about the Company's exposure to currency risk as reported by the management of the Company is as follows

Amt in crores

Particulars	USD	EUR	GBP	CHF
31 March 2025				
Financial assets/ liabilities				
Trade receivables	2.90	-	-	-
Foreign currency working capital borrowings	(2.05)	-	-	-
Trade payables	(0.11)	(0.00)	(0.00)	-
Net statement of financial position exposure	**0.75**	**(0.00)**	**(0.00)**	**-**
31 March 2024				
Financial assets/liabilities				
Trade receivables	3.09	-	0.00	-
Foreign currency working capital borrowings	(2.53)	-	-	-
Trade Payables	(0.08)	(0.00)	-	-
Net statement of financial position exposure	**0.48**	**(0.00)**	**0.00**	**-**

(ii) Unhedged foreign currency exposure

Particulars	USD	EUR	GBP	JPY
Net statement of financial position exposure				
31 March 2025				
Financial assets/ liabilities				
Trade receivables	-	-	-	-
Foreign currency working capital borrowings	(2.05)	-	-	-
Trade payables	(0.11)	(0.00)	(0.00)	-
Net statement of financial position exposure	**(2.15)**	**(0.00)**	**(0.00)**	**-**
31 March 2024				
Financial assets/ liabilities				
Trade receivables	-	-	-	-
Foreign currency working capital borrowings	(2.53)	-	-	-
Trade payables	(0.08)	(0.00)	-	-
Net statement of financial position exposure	**(2.61)**	**(0.00)**	**-**	**-**

Note -The total amount in absolute value is less than 100,000, but for reporting purpose rounded up to Rs. 0.0 crores

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

45. Financial instruments – Fair values and risk management (Contd.)

(iii) Derivative instruments

Particulars	As at 31 March 2025			As at 31 March 2024		
	USD	EUR	GBP	USD	EUR	GBP
Forward Contract for export trade receivables outstanding	1.92	0.06	-	2.45	-	-

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
USD 1	84.80	82.85	85.58	82.92
EURO 1	91.51	89.82	92.40	89.98
GBP 1	108.77	104.03	110.82	105.02
CHF 1	95.57	93.46	97.01	94.44

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rupees (Rs.) against foreign currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss*		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2025				
USD (10% movement)	0.08	(0.08)	0.05	(0.05)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	(0.00)	0.00	-	-
CHF (10% movement)	-	-	-	-
31 March 2024				
USD (10% movement)	0.05	(0.05)	0.03	(0.03)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	0.00	(0.00)	-	-
CHF (10% movement)	-	-	-	-

Note :Amount 0.00 represents rounded off amount in Crores which are less than Rs. 1,00,000 in absolute value terms

(All amounts are in Rupees Crore, unless otherwise stated)

45. Financial instruments – Fair values and risk management (Contd.)

b. Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During financial year 2024-25 and financial year 2023-24, the Company's borrowings at variable rates were denominated in Rupees.

Currently, the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount	
	As at 31 March 2025	As at 31 March 2024
Fixed-rate instruments		
Financial assets	-	-
Fixed deposits with banks	7.18	2.37
Financial liabilities	-	-
	7.18	**2.37**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	875.97	824.26
	875.97	**824.26**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
31 March 2025				
Variable-rate instruments	(4.38)	4.38	(2.85)	2.85
Cash flow sensitivity	**(4.38)**	**4.38**	**(2.85)**	**2.85**
31 March 2024				
Variable-rate instruments	(4.12)	4.12	(2.68)	2.68
Cash flow sensitivity	**(4.12)**	**4.12**	**(2.68)**	**2.68**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

45. Financial instruments – Fair values and risk management (Contd.)

c. Commodity price risks

The Company is exposed to the risk of price fluctuations of raw materials, dyes and chemicals, work-in-progress and finished goods. The Company manages its commodity price risk by maintaining adequate inventory of raw materials, dyes and chemicals, work-in-progress and finished goods considering anticipated movement in prices. To counter raw materials price fluctuation risk, the Company works with varieties of fibers (natural and manmade) with the objective to moderate raw material cost, enhance application flexibility and increase product functionality and also invests in product development and innovation.

Inventory sensitivity analysis (raw material and dyes and chemicals)

A reasonably possible change of 10% in prices of inventory at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Inventories (raw materials, dyes and chemicals, work-in-progress and finished goods)	Profit or loss		Equity, net of tax	
	10 % increase	10 % decrease	10 % increase	10 % decrease
31 March 2025	47.45	(47.45)	30.87	(30.87)
31 March 2024	46.61	(46.61)	30.32	(30.32)

46. Lease liabilities

The Company has leasehold land.

The following is the movement in lease liabilities during the year ended 31 March 2025

Lease Liabilities	As at 31 March 2025	As at 31 March 2024
Opening balance /Transition balance	**0.57**	**0.46**
Addition*	-	44.38
Interest expenses	0.05	0.05
Derecognition*	-	(44.27)
Payment	(0.06)	(0.05)
Closing Balance	**0.56**	**0.57**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2025 on an undiscounted basis:

Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one year	0.05	0.05
After one year but not longer than five years	0.26	0.26
More than five years	2.47	2.51
Total	**2.78**	**2.82**

46. Lease liabilities (Contd.)

Lease liabilities included in the statement of financial position at 31 March 2025

Particulars	As at 31 March 2025	As at 31 March 2024
Current	-	-
Non-current	0.56	0.57
Total	**0.56**	**0.57**

Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on lease liabilities	0.05	0.05
Amortization of Right-of-use assets (refer note 3C)	0.06	0.05
Impact on the statement of profit and loss for the year	**0.11**	**0.10**

Amount recognised in the statement of cash flows

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Repayment of lease liabilities including interest expenses	0.06	0.05
Impact on the statement of cash flows for the year	**0.06**	**0.05**

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

*During the previous year, the Company created a lease liability amounting to Rs 44.27 crore for leasehold land acquired for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the leasehold land allocated for the project was surrendered, leading to the written off the aforementioned liability. (refer note -38 (b))

47. In respect of Okara Mills, Pakistan, (which remained with the Company as a result of transfer of textiles division of Sutlej Industries Limited with the Company) no returns have been received after 31 March 1965. Against net assets, amounting to Rs 2.32 crores of Okara Mills, Pakistan, the demerged /transferor Company received adhoc compensation of Rs. 0.25 crores from Government of India in the year 1972-73. These assets now vest with the Custodian of Enemy Property, Pakistan for which claim has been filed with the Custodian of Enemy Property in India. The Company shall continue to pursue its claim for compensation/ restoration of assets. Hence, further compensation, if any received, will be recorded in the year of receipt. In the financial year 2003-04, net assets of Rs. 2.07 crores (net of compensation received) as at 31 March 1965 were valued at pre-devaluation exchange rate, has been provided for.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

48. Disclosure u/s 186(4) of the Companies Act, 2013 :

a) Particulars of Investments made:-

	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
1	**Investment in 8.5% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) fully paid in M/s Palash Securities Limited (Refer Note 10)**		
	Fair value gain recognised during the year	-	0.06
	Redeemed during the year	-	(1.30)
	Balance outstanding as at reporting date	-	-
2	**Investment in Equity shares of Sutlej Holdings Inc. (wholly owned subsidiary) (Refer Note 5 B)**		
	Investment made during the year	28.30	-
	Investment impaired during the year	22.70	10.51
	Balance outstanding as at reporting date	20.74	15.14
3	**Loan to Sutlej Holdings Inc. (wholly owned subsidiary) (Refer Note 6)**		
	Loan to Sutlej Holdings Inc. (wholly owned subsidiary) (Refer Note 6)	6.42	-
	Interest accrued thereon	0.44	-
	Balance outstanding as at reporting date	7.04	-
4	**Bank Guarantee given to American Silk Mills**		
	Bank Guarantee renewed during the year	20.54	20.00
	Balance outstanding as at reporting date	20.54	20.00

49. Capital management

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility. The Board of directors regularly review the Company's capital structure in light of the economic conditions, business strategies and future commitments. For the purpose of the Company's capital management, capital includes issued share capital and all other equity reserves. Debt includes short term and long term borrowings. During the financial year ended 31 March 2025, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

(i) Debt equity ratio:

Particulars	As at 31 March 2025	As at 31 March 2024
Net debt*	864.61	818.68
Total debt (A)	**864.61**	**818.68**
Equity share capital	16.38	16.38
Other equity	877.71	959.87
Total equity (B)	**894.09**	**976.25**
Debt equity ratio (C=A/B)	**0.97**	**0.84**

*The Company includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

(All amounts are in Rupees Crore, unless otherwise stated)

49. Capital management (Contd.)

(ii) Return on equity

Particulars	As at 31 March 2025	As at 31 March 2024
Profit for the year	(84.20)	(134.61)
Equity share capital	16.38	16.38
Other equity	877.71	959.87
Total equity	**894.09**	**976.25**
Return on equity ratio (%)	**-9.42%**	**-13.79%**

(iii) The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 8.20 % (31 March 2024: 7.96 %).

50. At each reporting date, the Company evaluate whether there is objective evidence that the property, plant and machinery of the Cash generating unit "CGU" is impaired in terms of IND AS – 36 "Impairment of Assets". If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognized in the standalone financial statement of the Company.

Due to rising input expenses, competitive pressures, and challenging market conditions, particularly in the upholstery and curtains segment, the Damanganga unit ("CGU") has experienced significant losses over recent years. However, in the current year, the unit managed to reduce lossses signifcantly through the implementation of cost-effective measures and a favourable shift in the market dynamics of the upholstery and curtains sector. Despite this improvement, the unit still incurred a cash loss primarily attributable to elevated interest expenses resulting from debt taken against previous cash losses and an increase in repo rates.

Consequently, the Company conducted an impairment assessment of the aforementioned CGU utilizing the fair value less cost to sell model. This model relies on the replacement value of plant and machinery, as well as the market value of land and building assets. The fair valuation process incorporates various assumptions reflecting prevailing market conditions. Additionally, Last year, the Company engaged an independent valuer to conduct a thorough assessment of the fair value of the property, plant, and equipment associated with the CGU.

Some of the key assumptions used by the Valuer for determining the fair value for significant assets are as follows:

(a) Land Valuation :

(i) Transacted / quoted values for similar properties sold in the subject micro-market;

(ii) Adjustment of achievable transaction value based on site specific physical parameters such as location, accessibility, size, zoning, physical attributes, profile of surrounding developments, etc.

(b) Building Valuation:

The value of the built up structure on the subject property has been assessed by the 'Depreciated Replacement Cost' method, where the current replacement cost of the structure (given the current condition of the property) has been evaluated after giving due regards to physical parameters such as construction, specifications, completion status of the building, renovations carried out in the structures and the same has been depreciated based on parameters such as age, remaining useful life, etc. of the structure.

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

50. (Contd.)

(c) Plant and Machinery and other Equipment's valuation

Total economic life for machineries under various categories have been considered on the basis of regulations prescribed under Schedule II of Indian Companies Act, 2013. Further, a salvage value of 2-5% on the replacement cost, as of date of assessment, of plant and machinery and other equipment has been considered. Quotes for similar or Identical machineries from the same or other manufacturer/ suppliers that are available in the market is also considered. In addition, other applicable direct & indirect cost prevalent in the current market conditions has been factored to arrive at the current Replacement Cost New (RCN) for the machineries at the site. Further, indexing method has also been used to assess RCN for a few machineries.

In addition to the above, in perspective and considering the prevailing trends, a marketing and transaction cost in the range of 5-10% has been considered for the subject assets while assessing the fair value.

Technological obsolescence to an extent of 5-10% has considered for the machineries installed during the period 1999 -2015 . Further, functional obsolescence to the extent of 10-15% has also considered.

Based on all the above factors, as per the final report issued by the Valuer, the fair value of the CGU is higher than its carrying value and hence the Company has concluded that no impairment provision needs to be recorded in the financial statements.

51. Regulatory information's :

(i) The Company does not have any benami property where any proceedings have been initiated or pending against the Company for holding such benami property.

(ii) The Company does not have any transactions with companies that have been struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(v) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(vi) During the year, Company has invested an amount of Rs. 28.30 crores and given loan (including interest) of Rs. 7.04 crores to its Subsidiary Company (Sutlej Holdings Inc.) which has further invested and given loan to step down subsidiary of the company (American Silk Mills LLC.), other than this the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(All amounts are in Rupees Crore, unless otherwise stated)

51 Regulatory information's : (Contd.)

(ix) The Company does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(x) The Company(as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has two Core Investment Company ("CIC") as part of the Company i.e. Ganges Securities Limited and New India Retailing & Investment Ltd (unregistered CIC).

(xi) The Company has compiled with the number of layers prescribed under the Companies Act 2013

(xii) The Company has not declared wilful defaulter by any bank or financial institution or Government or any Government Authority.

52. The Company has used accounting software for maintaining its books of account, which has the feature of recording audit trail (edit log) facility, and the same has been operational throughout the year for all relevant transactions recorded in the respective software, except in respect of payroll processing for workers, the previously used software had limitations in validating audit trail configurations at both the application and database levels. To address this, the Company implemented a new payroll software solution and parallel run was conducted during the period January 2025 to March 2025, and the system has gone live effective 1st April 2025.

53. Ratio Analysis and its elements

	Particulars	As at 31 March 2025	As at 31 March 2024
(i)	**Debt equity ratio:**		
	Net debt*	864.61	818.68
	Total debt (A)	**864.61**	**818.68**
	Equity share capital	16.38	16.38
	Other equity	877.71	959.87
	Total equity (B)	**894.09**	**976.25**
	Debt equity ratio (C=A/B)	**0.97**	**0.84**
	Change during the year in %	**15%**	

*The Company includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

	Particulars	As at 31 March 2025	As at 31 March 2024
(ii)	**Return on equity**		
	Profit for the year	(84.20)	(134.61)
	Equity share capital	16.38	16.38
	Other equity	877.71	959.87
	Total equity	**894.09**	**976.25**
	Return on equity ratio (%)	**-9.42%**	**-13.79%**
	Change during the year in %	**-32%**	
	Reason for variance - Variance in ratio is due to decrease in loss in current year.		

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

53. Ratio Analysis and its elements (Contd.)

	Particulars	As at 31 March 2025	As at 31 March 2024
(iii)	**Current ratio**		
	Current assets (A)	956.24	983.65
	Current liabilities (B)	802.94	789.44
	Current ratio (C=A/B)	**1.19**	**1.25**
	Change during the year in %	**-4%**	

	Particulars	As at 31 March 2025	As at 31 March 2024
(iv)	**Inventory turnover**		
	Inventories	504.87	497.33
	Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods	1,522.80	1,679.36
	Inventory turnover (days)	**121**	**108**
	Inventory turnover ratio	**3.02**	**3.38**
	Change during the year in %	**-11%**	

	Particulars	As at 31 March 2025	As at 31 March 2024
(v)	**Trade receivable turnover ratio**		
	Trade receivable	345.94	345.07
	Revenue from operations	2,642.36	2,671.72
	Other operating revenue	52.09	50.45
	Trade receivable Turnover (days)	**49**	**48**
	Trade receivable turnover ratio	**7.49**	**7.60**
	Change during the year in %	**-1%**	

	Particulars	As at 31 March 2025	As at 31 March 2024
(vi)	**Net profit ratio**		
	Profit for the year	(84.20)	(134.61)
	Revenue from Operations	2,642.36	2,671.72
	Net profit ratio	**-3.19%**	**-5.04%**
	Change during the year in %	**-37%**	
	Reason for variance - Variance in ratio is due to decrease in loss in current year as compared to previous year.		

(All amounts are in Rupees Crore, unless otherwise stated)

53. Ratio Analysis and its elements (Contd.)

	Particulars	As at 31 March 2025	As at 31 March 2024
(vii)	**Return (PBIDT) to Capital Employed**		
	Profit before finance cost, depreciation and tax expenses (PBIDT) (before exceptional item) (A)	**68.18**	**(5.25)**
	Equity Share Capital	16.38	16.38
	Reserves and Surplus	877.71	959.87
	Long Term Borrowing	324.66	275.41
	Short Term Borrowing	422.11	452.89
	Current maturities of long-term debts	129.20	95.96
	Capital Employed (B)	**1,770.06**	**1,800.51**
	Return (PBIDT) to Capital Employed % (C=A/B)	**3.85%**	**-0.29%**
	Change during the year in %	**-1421%**	
	Reason for variance - Variance in ratio is due to operating profit during the year as compared to operating loss in previous year.		

	Particulars	As at 31 March 2025	As at 31 March 2024
(viii)	**Debt Service Coverage Ratio**		
	Profit for the year (before exceptional item)	(61.50)	(115.65)
	Finance costs	61.48	63.15
	Depreciation and amortization expense	109.80	115.33
	Deferred tax	(41.60)	(68.81)
	Earning for debt service (A)	**68.18**	**(5.98)**
	Interest + Instalments due in respective year (B)	**190.68**	**159.11**
	Debt Service Coverage ratio (C=A/B)	**0.36**	**(0.04)**
	Change during the year in %	**-1051%**	
	Reason for variance - Variance in ratio is due to operating profit during the year as compared to operating loss in previous year.		

	Particulars	As at 31 March 2025	As at 31 March 2024
(ix)	**Trade payables turnover ratio (in times)**		
	Cost of materials consumed	1,489.15	1,432.36
	Purchase of stock-in-trade	49.32	68.29
	Add: Closing stock	237.15	245.28
	Less: Opening stock	(245.28)	(303.05)
	Other expenses	635.98	612.59
	Total (A)	**2,166.32**	**2,055.47**
	Average trade payables (B)	**155.20**	**145.17**
	Trade payables turnover ratio (C=A/B)	**13.96**	**14.16**
	Change during the year in %	**-1%**	

Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

53. Ratio Analysis and its elements (Contd.)

	Particulars	As at 31 March 2025	As at 31 March 2024
(x)	**Net Capital Turnover Ratios**		
	Revenue from operations	2,642.36	2,671.72
	Total equity	894.09	976.25
	Net Capital Turnover Ratio	**2.96**	**2.74**
	Change during the year in %	**8%**	

	Particulars	As at 31 March 2025	As at 31 March 2024
(xi)	**Return on Investment**		
	Income generated from investments	0.26	1.39
	Total Investments (refer note 5,10 and 14) (after impairment loss)	27.92	17.51
	Return on Investment	0.93%	7.94%
	Change during the year in %	**-88%**	
	Reason for variance - Higher return in previous year mainly due to the Company has earned dividend income on redemption of preference share.		

Additional Regulatory Information

Ratio	Numerator	Denominator
Debt equity ratio	Debt consists of borrowings net of Cash and cash equivalents and Banks balances.	Total equity
Return on equity	Profit for the year	Total equity
Current ratio	Total current assets	Total current liabilities
Inventory turnover	Inventories	Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods
Trade receivable turnover ratio	Revenue from operations less export incentive	Total Trade receivable
Net profit ratio	Profit for the year	Revenue from operations
Return (PBIDT) to Capital Employed	Profit before finance cost, depreciation and tax expenses	Capital employed =Net worth+ Borrowings
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest payments + Principal repayments
Trade payables turnover ratio (in times)	Cost of materials consumed+Purchase of stock-in-trade+Closing stock+Other expenses-Opening stock\	Average trade payables
Net Capital Turnover Ratios	Revenue from operations	Total equity
Return on Investment	Income generate from investments	Total Investments

Signatures to Notes 1 to 53

The notes referred to above form an integral part of these standalone financial statements.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109

Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
Director
DIN : 00016856

Place : Mumbai
Date: 09 May 2025

C. S. Nopany
Executive Chairman
DIN : 00014587

Place : Mumbai
Date: 09 May 2025

Ashish Kumar Srivastava
Wholetime Director and CEO
DIN : 06527942

Place: Mumbai
Date: 09 May 2025

Rajib Mukhopadhyay
Chief Financial Officer
M.No. : 058123

Place: Mumbai
Date: 09 May 2025

Manoj Contractor
Company Secretary
M.No. : A11661

Place: Mumbai
Date: 09 May 2025

Independent Auditor's Report

To the Members of
Sutlej Textiles and Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sutlej Textiles and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on consolidated financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

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

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

a. We did not audit the financial statements of wholly owned subsidiary and its step-down subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 126.36 crores as at 31 March 2025, total revenues (before consolidation adjustments) of Rs. 39.03 crores and net cash inflows (before consolidation adjustments) amounting to Rs. 7.81 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditor.

   These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by other auditor under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we report that there are no unfavourable answers or qualifications or adverse remarks included in the CARO report in respect of the standalone financial statements of the Holding Company which is included in these consolidated financial statements:

   According to the information and explanations given to us and based on our examination, CARO 2020 is not applicable to subsidiary and its step down subsidiary company hence this report does not contain statement on the matter specified in clause 3(xxi) of CARO 2020 in relation to these companies.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on consolidated financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2025 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on consolidated financial statements of the subsidiary, as noted in the "Other Matter" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2025.

d (i) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 52 (vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 52 (vii) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

e. The Holding Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Holding Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except In respect of an accounting software used by the Holding Company for maintaining the books of account relating to workers payroll, due to system limitation to validate configuration of the feature of recording audit trail (edit log) facility at application and database level, we are unable to comment (a) whether audit trail feature of the said software was enabled and (b) whether it operated throughout the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with. Additionally, except to the extent audit trail was not enabled for the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:25095109BMOOKC9086

Place: Mumbai
Date: 09 May 2025

Annexure A to the Independent Auditor's Report on the consolidated financial statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Sutlej Textiles and Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN:25095109BMOOKC9086

Place: Mumbai
Date: 09 May 2025

Consolidated Balance Sheet as at 31 March 2025

(All amounts are in Rupees Crores, unless otherwise stated)

CIN No.: L17124RJ2005PLC020927

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3A	998.77	1,049.48
Capital work-in-progress	3B	7.11	7.69
Right-of-use assets	3C	6.01	5.45
Intangible assets	4	1.42	2.31
Financial assets			
(i) Investments	5	-	-
(ii) Other financial assets	6	13.55	15.05
Others tax assets (net)	7	3.17	3.05
Deferred tax Assets (net)	23	7.48	-
Other non current assets	8	24.94	18.01
Total non-current assets		**1,062.45**	**1,101.04**
Current assets			
Inventories	9	524.54	517.78
Financial assets			
(i) Investments	10	-	-
(ii) Trade receivables	11	345.00	344.26
(iii) Cash and cash equivalents	12	11.92	2.88
(iv) Bank balances other than (iii) above	13	7.51	2.94
(v) Other financial assets	14	52.52	94.86
Other current assets	15	39.36	37.36
Assets classified as held for sale	16	7.94	7.78
Total current assets		**988.79**	**1007.86**
Total assets		**2,051.24**	**2108.90**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	16.38	16.38
Other equity	18	878.41	944.72
Total equity		**894.79**	**961.10**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	324.66	275.41
(ii) Lease liabilities	20	1.34	1.22
(iii) Other financial liabilities	21	6.52	6.68
Provisions	22	12.73	12.87
Deferred tax liabilities (net)	23	-	33.02
Other non current liabilities	24	1.85	2.88
Total non-current liabilities		**347.10**	**332.08**
Current liabilities			
Financial liabilities			
(i) Borrowings	25	551.31	568.83
(ii) Lease liabilities	20	1.37	1.01
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and;	26	28.51	15.23
(b) Total outstanding dues of creditors other than micro and small enterprises		135.71	140.69
(iv) Other financial liabilities	27	56.85	57.37
Other current liabilities	28	19.98	19.34
Provisions	29	15.61	13.24
Tax liabilities (net)	30	0.01	0.01
Total current liabilities		**809.35**	**815.72**
Total liabilities		**1,156.45**	**1,147.80**
Total equity and liabilities		**2,051.24**	**2,108.90**
Material accounting policy	2		

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109
Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
Director
DIN : 00016856
Place : Mumbai
Date: 09 May 2025

C. S. Nopany
Executive Chairman
DIN : 00014587
Place : Mumbai
Date: 09 May 2025

Ashish Kumar Srivastava
Wholetime Director and CEO
DIN : 06527942
Place: Mumbai
Date: 09 May 2025

Rajib Mukhopadhyay
Chief Financial Officer
M.No. : 058123
Place: Mumbai
Date: 09 May 2025

Manoj Contractor
Company Secretary
M.No. : A11661
Place: Mumbai
Date: 09 May 2025

Consolidated Statement of Profit and Loss for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue			
Revenue from operations	31	2,676.76	2,703.20
Other income	32	21.77	24.02
Total income		**2,698.53**	**2,727.22**
Expenses			
Cost of materials consumed	33	1,491.14	1,440.42
Purchase of stock-in-trade		73.09	83.40
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(14.97)	181.08
Employee benefits expense	35	444.62	416.58
Finance costs	36	63.42	65.03
Depreciation and amortisation expense	37	111.21	117.04
Other expenses	38	640.02	618.85
Total expenses		**2,808.53**	**2,922.40**
Profit/ (Loss) before exceptional items and tax		**(110.00)**	**(195.18)**
Exceptional items	39	-	8.45
Profit/ (Loss) before tax		**(110.00)**	**(203.63)**
Tax expense:	23		
Current tax		-	0.01
Tax related to earlier years		-	0.71
Deferred tax		(41.60)	(68.79)
Tax expenses		**(41.60)**	**(68.07)**
Profit/(Loss) for the year		**(68.40)**	**(135.56)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	23	3.14	5.45
Income Tax relating to remeasurement of defined benefit plans		(1.10)	(1.91)
Items that will be reclassified subsequently to profit and loss			
Exchange differences on translation of operations into reporting currency		0.05	0.10
Total other comprehensive income for the year net of tax		**2.09**	**3.64**
Total comprehensive income/(loss) for the year		**(66.31)**	**(131.92)**
Earnings per equity share of face value of Rs 1 each	40		
Basic and diluted (in Rs.)		(4.18)	(8.27)
Material accounting policy	2		

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109

Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
Director
DIN : 00016856

Place : Mumbai
Date: 09 May 2025

C. S. Nopany
Executive Chairman
DIN : 00014587

Place : Mumbai
Date: 09 May 2025

Ashish Kumar Srivastava
Wholetime Director and CEO
DIN : 06527942

Place: Mumbai
Date: 09 May 2025

Rajib Mukhopadhyay
Chief Financial Officer
M.No. : 058123

Place: Mumbai
Date: 09 May 2025

Manoj Contractor
Company Secretary
M.No. : A11661

Place: Mumbai
Date: 09 May 2025

Consolidated Statement of Cash Flows for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash flow from operating activities		
Profit before tax	(110.00)	(203.63)
Adjustments for :-		
Depreciation and amortisation expense	111.21	117.04
Profit on sale/discard of property, plant and equipment (net)	(4.32)	(2.13)
Finance costs (net of interest subsidies)	63.42	65.03
Dividend from preference shares	-	(1.33)
Interest income	(7.99)	(9.08)
Deferred government grants	(1.03)	(1.06)
Net fair value gain on financial assets measured at FVTPL	-	(0.06)
Bad Debts /Loss allowance for doubtful debts	3.79	2.70
Provision for expected credit loss	-	0.02
Unrealised (gain)/ loss on foreign currency fluctuations (net)	0.67	(1.42)
Fair value (gains)/ loss on derivatives	(0.81)	1.41
Expenses on surrender of leasehold land (refer note 39)	-	8.45
Sundry credit balances written back (net)	(1.58)	(0.11)
Operating profit before working capital adjustments	**53.36**	**(24.17)**
(Increase)/Decrease in inventories	(6.76)	238.84
(Increase) in trade receivables	(6.54)	(21.07)
Decrease/(Increase) in other financial assets	13.51	(0.57)
(Increase)/Decrease in other assets	(2.39)	3.03
Increase in trade payables	10.10	12.53
(Decrease) in other financial liabilities	(1.19)	(5.73)
Increase in provisions	5.42	3.55
Increase/(Decrease) in other liabilities	0.64	(1.07)
Cash generated from operations	**66.15**	**205.34**
Income tax paid (net of refund)	(0.12)	16.54
Net cash from operating activities	**66.03**	**221.88**
B. Cash flow from investing activities		
Maturity of short term deposits	44.12	0.38
Investment in deposits with banks	(48.69)	(0.85)
Interest received	7.92	9.07
Dividend received from preference shares	-	1.33
Proceeds from redemption of preference shares	-	1.30
Refund received from Small Industries Development Corporation (SIDCO) (refer note 14))	31.21	-
Purchase of property, plant and equipment (including CWIP and intangible assets)	(65.40)	(55.70)
Proceeds from sale of property, plant & equipment #	5.81	6.22
Net cash used in investing activities	**(25.03)**	**(38.25)**
C. Cash flow from financing activities		
Repayment of long term borrowings	(96.04)	(119.75)
Proceeds from long term loan	179.80	96.40
Net proceeds /(repayment) of short term borrowings	(49.64)	(83.19)
Finance costs paid (net of interest subsidies)	(64.84)	(65.92)
Repayment of lease liabilities (Including interest)	(1.24)	(1.32)
Dividend paid	-	(16.38)
Net cash used in financing activities	**(31.96)**	**(190.16)**
Net increase /(decrease) in cash and cash equivalents	**9.04**	**(6.53)**
Cash and cash equivalents at the beginning of the year *	2.88	9.41
Cash and cash equivalents at the end of the year *	11.92	2.88
	9.04	**(6.53)**

Consolidated Statement of Cash Flows for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Notes:

1 The Cash flow statement has been prepared in accordance with 'Indirect Method' as set out in Ind AS-7- 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

2 Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening balance of borrowings		
Term loan (including current maturities)	371.37	394.72
Current borrowings	472.87	556.21
Cash flows		
Repayment of long term loan	(96.04)	(119.75)
Proceeds from long term loan	179.80	96.40
Change in current borrowings (net)	(49.64)	(83.19)
Non-cash changes		
Upfront fees amortised	(1.27)	-
Exchange fluctuation changes	(1.12)	(0.15)
Closing balance of borrowings		
Term loan (including current maturities)	453.86	371.37
Current borrowings	422.11	472.87

* Refer note 12 for details.

* Cash and cash equivalent include bank overdraft that are repayable on demand and form an integral part of the Group cash management.

\# Previous year include advance received against assets held for sales of Rs 3.14 crores.

Material accounting policy (refer note 2)

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109

Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
Director
DIN : 00016856

Place : Mumbai
Date: 09 May 2025

C. S. Nopany
Executive Chairman
DIN : 00014587

Place : Mumbai
Date: 09 May 2025

Ashish Kumar Srivastava
Wholetime Director and CEO
DIN : 06527942

Place: Mumbai
Date: 09 May 2025

Rajib Mukhopadhyay
Chief Financial Officer
M.No. : 058123

Place: Mumbai
Date: 09 May 2025

Manoj Contractor
Company Secretary
M.No. : A11661

Place: Mumbai
Date: 09 May 2025

Consolidated Statement of Changes in Equity for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

CIN No: L17124RJ2005PLC020927

(a) Equity share capital

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Change in equity share capital during the year	-	-	-	-
Balance at the end of the year	**16,38,28,620**	**16.38**	**16,38,28,620**	**16.38**

(b) Other equity

Particulars	Reserves and surplus				Total
	General reserve	Retained earnings	Other comprehensive income		
			Remeasurement of defined benefit plans (net of tax)	Exchange differences on translation of operations into reporting currency	
Balance as at 31 March 2023	208.06	871.23	8.22	5.51	1,093.02
Profit/ (Loss) for the year as per statement of profit and loss	-	(135.56)	-	-	(135.56)
Other comprehensive income for the year	-	-	3.54	0.10	3.64
Total comprehensive income/(loss) for the year	**-**	**(135.56)**	**3.54**	**0.10**	**(131.92)**
Dividend paid	-	(16.38)	-	-	(16.38)
Balance as at 31 March 2024	**208.06**	**719.29**	**11.76**	**5.61**	**944.72**
Profit /(Loss) for the year as per statement of profit and loss	-	(68.40)	-	-	(68.40)
Other comprehensive income/ (loss) for the year	-	-	2.04	0.05	2.09
Total comprehensive income for the year	**-**	**(68.40)**	**2.04**	**0.05**	**(66.31)**
Balance as at 31 March 2025	**208.06**	**650.89**	**13.80**	**5.66**	**878.41**

Material accounting policy (refer note 2)

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109

Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
Director
DIN : 00016856

Place : Mumbai
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Place: Mumbai
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Manoj Contractor
Company Secretary
M.No. : A11661

Place: Mumbai
Date: 09 May 2025

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

1. Company Information

Sutlej Textiles and Industries Limited (herein after referred to as "the Parent Company/Holding Company/ Company") is domiciled in India with its registered office situated at Pachpahar Road, Bhawanimandi - 326502, Rajasthan. The Holding Company has been incorporated under the provisions of Indian Companies Act 2013 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) Limited.

The Holding Company had incorporated a wholly owned subsidiary namely Sutlej Holdings Inc. in the state of Delaware on 28 September 2017. Sutlej USA, LLC, a wholly owned subsidiary of Sutlej Holdings Inc. was also incorporated on 28 September 2017 in the state of Delaware. Pursuant to a business combination, the name of Sutlej USA, LLC was changed to American Silk Mills, LLC. The American Silk Mills is primarily engaged in the design, manufacture and distribution of textiles to wholesalers, manufacturers and retailers for the home furnishing industry.

Sutlej Textiles and Industries Limited along with its subsidiary and step-down subsidiary is hereinafter referred to as the "Group".

The Group deals primarily in cotton and man-made fibre yarn and home textiles products.

The particulars of subsidiary company and step-down subsidiary of Holding Company, which are included in consolidation and the parent company's holding therein, is as under:

Name	Country of incorporation	Percentage holding as at 31 March 2025	Percentage holding as at 31 March 2024
Sutlej Holdings Inc. (Subsidiary Company)	USA	100 %	100 %
American Silk Mills (Step Down Subsidiary)	USA	100%	100%

2. Summary of material accounting policies

The Group has applied the following accounting policies to period presented in the consolidated financials.

2.1 Basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were authorised for issue by the Board of Directors on their meeting held on 09 May 2025.

2.2 Basis of consolidation:

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiary (including its step down subsidiary). Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiary are consolidated from the date control commences until the date control ceases. The financial statements of the Group is consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation. Consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances.

Consolidation procedure

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

2.3 Business combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

2.4 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the following items:-

- Defined benefit liability / (assets): Fair value of plan assets less present value of defined benefit obligation
- Certain financial assets and liabilities (including financial instrument):- Fair value;
- Other financial assets and liabilities- measured at amortised cost.

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realizable value in inventories or value in use in impairment of assets. The basis of fair valuation of these items is given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.5 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements have been given below:

- whether the Group has de facto control over an investee (refer note 1).
- revenue recognition: whether revenue is recognised over time or at a point in time;
- lease term: whether the Group is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions; (note 46)
- Recognition of deferred tax assets: availability of future taxable profit against which Minimum Alternative Tax (MAT) credit can be used (note 2.21 and 23B)
- Useful life and residual value of property, plant and equipment, and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (note 41)
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows (note 46)
- Impairment of non-financial assets: key assumptions used in estimating recoverable amount (note 3,4 and 51)

2.6 Classification of assets and liabilities as current and non-current

The Group presents consolidated assets and liabilities in the consolidated balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and 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.

An liability is treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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 liabilities are classified as non-current liabilities.

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

(All amounts are in Rupees Crore, unless otherwise stated)

Material accounting policies

2.7 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Transition to Ind AS

The cost of property, plant and equipment at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure

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

Depreciation

Depreciation on property, plant and equipment is calculated on straight line method and is recognized in the statement of profit and loss. The rates are arrived at based on the estimated useful lives given in schedule II of the Companies Act, 2013 or re-assessed by the Group on basis technical assessment, as given below:-

Related to parent Company:

Assets	Useful life as per Technical Certificate	Useful life as per Schedule II Of Companies Act
Non factory buildings	58 years	60 years
Factory buildings	30 years	30 years
Plant and equipment	18 years and 4 months /20 years / 15 years/ 3 years and 6 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	5-10 years	10 years
Vehicles	8 years and 10 years	8 years and 10 years

Related to subsidiary and step down subsidiary of the parent Company:

Assets	Useful lives
Plant and equipment	3 to 6 years
Office equipment	3 to 6 years
Furniture and fixtures	3 to 6 years

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Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Additions on rented premises (offices and guest houses) are being amortised over the period of rent agreement.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase as these assets have no significant useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Capital work-in-progress

Capital work-in-progress includes assets in the course of construction for production and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized.

2.8 Intangible assets and Goodwill

Intangible assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. For Parent Company, estimated useful life of the software is considered as 3 to 6 years (Depend on software licence period) against useful life of 3 years as per Companies Act, 2013 and for subsidiary and step down subsidiary of the parent Company estimated useful life of the software (including internally developed software) is considered as 5 to 8 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Transition to Ind AS

The cost of Intangible assets at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Goodwill that arises on the acquisition of a business is presented as an intangible asset.

The difference between fair value of consideration and net assets acquired is treated as goodwill on consolidation. The goodwill on consolidation is tested for impairment annually.

2.9 Non-current assets (or disposal groups) held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (cash generating units).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

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

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

2.11 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the effective interest rate (EIR) method over the term of the loan.

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Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.12 Foreign currency transactions

The Group's consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded off to the nearest crores, except share data and as stated otherwise.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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 the statement of profit or loss with the exception of following:-

a. Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in the statement of profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in Other Comprehensive Income (OCI). These exchange differences are reclassified from equity to the statement of profit or loss on disposal of the net investment.

b. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

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).

2.13 Employee benefits

a. Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Parent Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Parent Company makes specified monthly contributions towards Government administered provident fund scheme and also towards superannuation scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

c. **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Parent Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

For defined benefit plan, the cost of providing benefits is determined annually by qualified actuary using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income (OCI) is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest are recognised in OCI. The Parent Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement of net defined benefit liability

The Parent Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense.

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Parent Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

d. **Other long-term employee benefits**

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit and loss in the period in which they arise.

2.14 Revenue from contract with customer's

Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

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(All amounts are in Rupees Crore, unless otherwise stated)

Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Sale of goods

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Revenue is recognised when the controls of goods, are transferred to the buyer as per terms of contract i.e., when good are dispatched in case of domestic sales and date of bill of lading for export sales. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Export incentives

Export entitlements in the form of duty drawback, remission of duties and taxes on export products and other schemes are recognized 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 exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Claim on insurance companies and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Interest income

Interest is recognised using effective interest rate method on a time proportion basis.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Scrap sales

Income from sale of the scrap is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract.

Insurance claim

Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable, and the ultimate collection is reasonably certain.

Job Work

Revenue from job work charges is recognised on an accrual basis as and when the services are rendered as per the terms of the arrangement with respective customers.

2.15 Government grants and subsidies

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 that compensate the Group for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

EPR Credits

Extended Producer Responsibility credit income is recognised in the Statement of Profit & Loss when there is a reasonable assurance that the income will be received and the Holding Company will comply with all attached conditions.

2.16 Inventories

Inventories are valued as follows:

Raw materials, Stock –in trade, dyes and chemicals, stores and spares and consumables	Lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and an appropriate share of fixed production overheads based on normal operating capacity.
Waste material	At net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.17 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 or pricing adjustments embedded in the contract.

Loss allowance for expected life time credit loss is recognised on initial recognition.

2.18 Provisions and contingent liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

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If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the consolidated financial statements unless the possibility of an outflow of economic resources is remote.

2.19 Measurement of fair value

a Financial instruments

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on market comparison techniques utilizing significant unobservable data, primarily cash flow based models.

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of the non-marketability of the relevant equity securities.

If fair value cannot be measured reliably unlisted shares are recognized at cost.

c Derivatives

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risk respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

2.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and interest rate swaps.

a. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

A financial asset is measured at amortised cost only if both of the following conditions are met:

a. it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

b. the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss..

b. Preference share

All Preference share in scope of Ind AS 109 are measured at fair value. On initial recognition an Preference share that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

The rights to receive cash flows from the asset have expired, or the Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group 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 Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

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Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

c. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

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

Subsequent measurement

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

Financial liabilities measured at amortised cost

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

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.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when and only when 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.

2.21 Income tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimates of the tax amount expected to be paid on received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if, the Group:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

2.22 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

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The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group have been identified as being the chief operating decision maker by the Management of the Group.

The Group's board examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

a) **Yarn:** It comprises of recycle polyester staple fibre, cotton and manmade fibres yarn;

b) **Home textiles:** It comprises of home furnishing and fabric processing

Refer note 42 for segment information presented.

2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts.

2.25 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

2.26 Dividend

The Group recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.27 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

3A. Property, plant and equipment

Particulars	Freehold Land	Buildings (refer note 1)	Plant and equipment	Vehicles	Furniture and fixtures	Office equipment's	Lease improvements	Total
Gross Block								
Balance as at 31 March 2023	54.50	578.82	1,208.75	14.38	18.13	15.47	0.32	1,890.37
Additions		1.55	56.17	0.47	0.92	1.12	-	60.23
Disposals		-	11.33	2.69	0.34	0.66	-	15.02
Balance as at 31 March 2024	**54.50**	**580.37**	**1,253.59**	**12.16**	**18.71**	**15.93**	**0.32**	**1,935.58**
Additions		1.06	54.80	1.22	0.48	2.52	-	60.08
Disposals		-	10.06	0.44	0.06	0.43	(0.01)	10.98
Balance as at 31 March 2025	**54.50**	**581.43**	**1,298.33**	**12.94**	**19.13**	**18.02**	**0.33**	**1,984.68**
Accumulated Depreciation								
Balance as at 31 March 2023	-	103.64	650.37	8.46	10.43	10.86	0.30	784.06
Additions		16.69	94.06	1.16	1.18	1.62	-	114.71
Disposals		-	9.55	2.25	0.29	0.57	-	12.66
Balance as at 31 March 2024	**-**	**120.33**	**734.88**	**7.37**	**11.32**	**11.91**	**0.30**	**886.11**
Additions		16.80	88.39	1.09	1.24	1.80	-	109.32
Disposals		0.08	8.61	0.39	0.05	0.40	(0.01)	9.52
Balance as at 31 March 2025	**-**	**137.05**	**814.66**	**8.07**	**12.51**	**13.31**	**0.31**	**985.91**
Net Block								
Balance as at 31 March 2024	**54.50**	**460.04**	**518.71**	**4.79**	**7.39**	**4.02**	**0.02**	**1,049.48**
Balance as at 31 March 2025	**54.50**	**444.38**	**483.67**	**4.87**	**6.62**	**4.71**	**0.02**	**998.77**

Notes:

1. Building, includes share of the holding company in a premises at Haridwar (jointly owned with others) having carrying value as at 31 March 2025 Rs. 0.53 crores and 31 March 2024 Rs.0.55 crores respectively (Original Cost Rs.1.23 crores as at 31 March 2025 and Rs.1.23 crores as at 31 March 2024)
2. Borrowing cost capitalized amounting to Rs.0.09 crores (31 March 2024 Rs.1.06 crores) under the head plant and equipment and building and others (refer note 43).
3. Property, plant and equipment given as security for borrowings refer note 19 (a)
4. Refer note no 51
5. Refer note no 16.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

6. Immovable Property not held in name of the Holding Company:- In case of Kathua leasehold land having carrying value as at 31 March 2025 and 31 March 2024 Rs 1.19 crores and Rs.1.21 crores respectively (Original cost Rs.1.53 crores as at 31 March 2025 and Rs 1.53 crores as at 31 March 2024) and in case of Baddi units freehold land having carrying value as at 31 March 2025 and 31 March 2024 Rs.0.08 crores (Original cost Rs.0.08 crores) are pending for registration in the name of the holding company. Details for the current and previous year are as follows:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company	Also indicate if in dispute
Lease hold land	70Kanal 5Marla land , Kathua	1.40	Chenab Textile Mills (A unit of Group)	No.	2006-07	The Group submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in Holding Company favour.	No.
Lease hold land	2Kanal 4Marla land , Kathua	0.13	Chenab Textile Mills (A unit of Group)	No.	2007-08	The Group submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in Holding Company favour.	No.
Free hold Land	Free hold Land, Baddi	0.05	Sh Ashok Kumar	No.	1992-93	For registration in the name of Holding Company revenue department required fresh agreement which could not be arranged due to death of land owner.	No.
Free hold Land	Free hold Land, Baddi	0.03	Sh. Ratna	No.	1992-93	For registration in the name of Holding Company revenue department required fresh agreement which could not be arranged due to death of land owner.	No.
Total		**1.61**					

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

3B. Capital work-in-progress*

Capital work-in-progress - Rs. 7.11 crores (31 March 2024 Rs.7.69 crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance	7.69	8.60
Addition during the year	57.61	60.10
Less : written off during the year*	-	0.77
Less Capitalised during the year	58.19	60.24
Closing balance	**7.11**	**7.69**

* During the previous year, the Holding Company has incurred preoperative expenses amounting to Rs 0.77 crore for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the Holding Company has decided not to proceed with the greenfield expansion project at this time., Consequently, these expenses have been written off and presented as an "exceptional item" (refer note -39 (a)).

a) CWIP ageing schedule

CWIP	Amount in CWIP for a period of				31 March 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.02	0.00	-	-	7.02
Projected temporarily suspended	-	-	-	0.09	0.09
Total	**7.02**	**0.00**	**0.00**	**0.09**	**7.11**

CWIP	Amount in CWIP for a period of				31 March 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.24	0.02	0.34	-	7.60
Projected temporarily suspended	-	-	-	0.09	0.09
Total	**7.24**	**0.02**	**0.34**	**0.09**	**7.69**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

3C. Right-of-use assets*

Particulars	Gross block				Depreciation				Net Block	
	As at 31 March 2024	Additions	Disposals	As at 31 March 2025	As at 31 March 2024	Additions	Disposals	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Right-of-use assets(lease hold land)	11.54	1.53	(0.19)	13.26	6.09	0.98	(0.18)	7.25	6.01	5.45
	11.54	**1.53**	**(0.19)**	**13.26**	**6.09**	**0.98**	**(0.18)**	**7.25**	**6.01**	**5.45**

Particulars	Gross block				Depreciation				Net Block	
	As at 31 March 2023	Additions	Disposals	As at 31 March 2024	As at 31 March 2023	Additions	Disposals	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Right-of-use assets(lease hold land)#	10.27	45.45	44.18	11.54	4.94	1.38	0.23	6.09	5.45	5.33
	10.27	**45.45**	**44.18**	**11.54**	**4.94**	**1.38**	**0.23**	**6.09**	**5.45**	**5.33**

*Refer note 20 for lease liabilities

During the previous year, the Holding Company created right-of-use of asset amounting to Rs 44.27 crore for leasehold land acquired for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the leasehold land allocated for the project has been surrendered, leading to the reversal of the aforementioned assets. (refer note -39 (a))

4. Intangible Assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 31 March 2024	Additions/ other adjustment	Disposals	As at 31 March 2025	As at 31 March 2024	Additions	Disposals	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Goodwill	7.56	-	-	7.56	7.56	-	-	7.56	-	-
	7.56	**-**	**-**	**7.56**	**7.56**	**-**	**-**	**7.56**	**-**	**-**
Other Intangible assets										
Software	6.72	0.23	0.47	6.48	4.41	0.91	0.26	5.06	1.42	2.31
	6.72	**0.23**	**0.47**	**6.48**	**4.41**	**0.91**	**0.26**	**5.06**	**1.42**	**2.31**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

Particulars	Gross Block				Amortisation/ Impairment				Net Block	
	As at 31 March 2023	Additions/ other adjustment	Disposals	As at 31 March 2024	As at 31 March 2023	Additions	Impairment	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Goodwill	7.56	-	-	7.56	7.56	-	-	7.56	-	-
	7.56	**-**	**-**	**7.56**	**7.56**	**-**	**-**	**7.56**	**-**	**-**
Other Intangible assets										
Software	6.20	0.49	(0.03)	6.72	3.47	0.95	0.01	4.41	2.31	2.73
	6.20	**0.49**	**(0.03)**	**6.72**	**3.47**	**0.95**	**0.01**	**4.41**	**2.31**	**2.73**

5. Non current investments

Particulars	As at 31 March 2025	As at 31 March 2024
Investment in equity instruments valued at FVTPL (fully paid-up)		
Unquoted		
50 (31 March 2024: 50) equity shares of The Jhalawar Nagrik Sahkari Bank Ltd (JNSB) of Rs. 100 each*	0.00	0.00
	0.00	**0.00**

*The total amount of investments in absolute value is Rs. 5,000 (31 March 2024: 5000), for reporting purpose rounded up to Rs. 0.0 Crores.

6. Other financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Security Deposits	13.55	15.05
	13.55	**15.05**

7. Other tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Income tax receivable (net)	3.17	3.05
	3.17	**3.05**

8. Other non current assets

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Capital advances	10.20	3.66
Balances with government authorities	13.86	13.14
Prepaid expenses	0.88	1.21
	24.94	**18.01**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

9. Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
(Valued at lower of cost or net realisable value)		
Raw materials	217.58	224.83
Dyes and chemicals	5.49	6.34
Work-in-progress	110.69	100.29
Finished goods	144.66	139.07
Stock-in-trade	15.74	16.00
Stores, spare-parts and consumables	18.02	18.56
Wastage material	12.36	12.69
	524.54	**517.78**
Goods in transit included in above inventories are as under :		
Raw materials	5.27	5.54
Stores,spare-parts and consumables	0.16	0.52
Finished goods	0.41	0.28

Inventories are hypothecated to secure borrowings (Refer note 19 and 25)

Inventories of finished goods have been written down to net realisable value by Rs 12.73 crores (31 March 2024 Rs 13.53 crores).

The Holding company has devalued the aged inventory by Rs 5.55 crores (31 March 2024 Rs 3.76 crores).

10. Investment in preference shares valued at FVTPL (fully paid up) [refer note 46(I)]

Particulars	As at 31 March 2025	As at 31 March 2024
Unquoted		
1,300,000 8.5% Non-Convertible Cumulative Redeemable Preference shares in Palash Securities Limited of Rs 10 each redeemed during the previous year#	-	-
	-	**-**
#Movement of investment in preference shares		
Opening balance	-	1.24
Change in fair value of preference shares	-	0.06
Preference shares redeemed during the year	-	(1.30)
Closing balance	**-**	**0.00**

(All amounts are in Rupees Crore, unless otherwise stated)

11. Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Trade Receivables considered good, Unsecured - Others	345.00	344.26
Trade Receivables credit impaired	10.04	7.01
	355.04	**351.27**
Less: Allowance for credit impairment	(10.04)	(7.01)
	345.00	**344.26**

(a) Trade receivables are hypothecated to secure current borrowings (Refer note 19 and 25)

(b) No trade or other receivables are due from directors or other officers of the Group, either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies in which any director is a partner, or director or member.

(c) The Group's exposure to credit and currency risk, and loss allowances related to trade receivables is disclosed in Note 46.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

11. Trade receivables (Contd.)

(d) Trade Receivables ageing schedule.

Particulars	31 March 2025						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 month -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	268.44	70.93	5.46	0.04	0.13	-	345.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired			6.34	1.67	0.92	0.94	9.87
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	0.17	0.17
(vii) Unbilled dues							-
Less :- Provision for Doubtful debts	-	-	(6.34)	(1.67)	(0.92)	(1.11)	(10.04)
Total	**268.44**	**70.93**	**5.46**	**0.04**	**0.13**	**-**	**345.00**

(e) Trade Receivables ageing schedule.

Particulars	31 March 2024						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 month -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	254.04	77.77	12.38	0.07	-	-	344.26
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	3.52	1.72	0.51	1.07	6.82
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.01	0.02	0.16	0.19
(vii) Unbilled dues	-	-	-	-	-	-	-
Less :- Provision for Doubtful debts	-	-	(3.52)	(1.73)	(0.53)	(1.23)	(7.01)
Total	**254.04**	**77.77**	**12.38**	**0.07**	**-**	**-**	**344.26**

12. Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Balance with banks:		
- In current accounts	11.71	2.74
Cash on hand	0.21	0.14
	11.92	**2.88**

13. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Earmarked balances with banks:		
Unpaid dividend account	0.33	0.57
Deposits with remaining maturity for more than 3 months but less than 12 months	1.48	2.37
Deposits with remaining maturity for less than 12 months against term loan (Refer note no 19 (d))	5.70	-
	7.51	**2.94**

14. Other financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Receivable from SIDCO (refer note- 39 (a))	-	31.21
Export benefit receivable - considered good	27.48	34.43
EPR receivable - considered good	4.60	-
Government subsidies - considered good	8.19	18.17
Government subsidies - credit impaired	1.46	1.46
Less: Allowance for credit impairment	(1.46)	(1.46)
	8.19	**18.17**
Advances recoverable in cash	5.81	7.00
Receivable from finance Company#	5.37	3.86
Forward contract receivables	0.90	0.09
Interest accrued on deposits	0.17	0.10
	52.52	**94.86**

On April 2019, the Group entered into a credit agreement (the "Facility") with a finance company. The Facility provides a credit a revolving credit line of up to Rs.23.11 Crores, subject to borrowing base availability, and extends its maturity of the facility to October 31, 2026. The line of credit is pledged against Group's accounts receivable and inventory. The facility bears interest upon the daily net balance of any monies remitted, paid or otherwise advanced to the company which is as follows:

(i) Not in excess of the receivables availability shall be charged at a rate per annum equal to receivable interest rate @ 8.5%.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

14. Other financial assets (Contd.)

(ii) In excess of receivables availability but not in excess of the receivables availability plus the inventory availability shall be charged at a rate per annum equal to the inventory interest rate @8.5%.

During the year ended 31 March 2025, factoring commission expenses of Rs.0.39 Crores (31 March 2024: 0.29 Crores) and factoring interest expenses of Rs.0.04 Crores (31 March 2024: Rs.0.03 Crores) have been charged to the consolidated statement of profit and loss.

15. Other current assets

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities #	22.30	24.49
Duty paid under protest	0.54	0.26
Prepaid expenses	4.10	3.93
Advances to suppliers	12.42	8.68
	39.36	**37.36**

During the previous year, the Holding company has received a notice from Directorate General of Analytics & Risk Management (DGARM) for non-compliance relating to provision of rule 96(10)) of the CGST Rules. In response, the Holding Company has deposited of amounting Rs. 3.21 crores.

16. Assets classified as held for sale

Particulars	As at 31 March 2025	As at 31 March 2024
Assets classified as held for sale (refer note below)	7.94	7.78
	7.94	**7.78**

(a) In the financial year 2022-23, the Plant and Equipment of the Captive Co-Generation Power Plant ('CGPP') were decommissioned and designated as "Assets held for sale" due to its lack of viability for continued operation. According to an agreement to sell with a customer, it was valued at Rs.15 crores (excluding GST), resulting in an impairment loss of Rs. 20.51 crores recorded during the same period. Subsequently, plant and equipment dispatches totalling Rs.7.5 crores (excluding GST) were completed upto 31 March 2024 leaving a remaining balance of Rs.7.5 crore categorized under Assets held for sale.

During the current financial year, the agreement could not be executed due to a dispute with the customer, who has initiated legal proceedings; however, the case has not been admitted by the court. In light of the customer's non-compliance with the contractual terms, the holding Company has canceled the agreement. Meanwhile, efforts are underway to identify alternate buyers, and the management remains confident of concluding the sale at the carrying value. No liability is attached to these assets.

(b) The Group decided to sell other obsolete plants & equipment's and building of Rs.0.44 crores (31 March 2024 0.28 crores), which were originally purchased for production, manufacturing and office. The Holding Company is actively searching for buyers to sell these assets. No liability is attached to these assets.

Non – current fair value measurements :

Assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets was determined using expected market realizable value using past trend and management assessment. Fair value measurement of assets held for sale is a level 3 measurement and key inputs under this approach are price per asset comparable for the machine in similar business and technology.

(All amounts are in Rupees Crore, unless otherwise stated)

17. Equity Share capital *

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised:		
500,000,000 equity shares of Rs.1/- each (31 March 2024: 500,000,000 of Rs.1/- each)	50.00	50.00
Issued, subscribed and fully paid up:		
163,828,620 equity Shares of Rs.1/- each (31 March 2024: 163,828,620 of Rs.1/- each)	16.38	16.38
* All share fully paid up	**16.38**	**16.38**

a. Terms and rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, distribution of dividend is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Balance at the end of the year	**16,38,28,620**	**16.38**	**16,38,28,620**	**16.38**

c. Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There are no holding or ultimate holding company of the Company.

d.. There are no shares which are issued for consideration other than cash during the period of five years immediately preceding the reporting date.

e. Shareholders holding more than 5% shares in the Holding Company

Name of Shareholders	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Percentage	No. of shares	Percentage
Ganges Securities Limited	3,04,16,970	18.57%	3,04,16,970	18.57%
Hargaon Investment & Trading Company Limited	1,71,13,960	10.45%	1,71,13,960	10.45%
New India Retailing and Investment Limited	1,70,63,040	10.42%	1,70,63,040	10.42%
Yashovardhan Investment and Trading Company Limited	1,48,68,360	9.08%	1,48,68,360	9.08%
Birla Institute of Technology and Science	1,12,86,580	6.89%	1,12,86,580	6.89%
The Hindustan Times Limited	98,03,690	5.98%	98,03,690	5.98%
Ronson Traders Limited	97,23,730	5.94%	97,23,730	5.94%

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

17. Equity Share capital * (Contd.)

f. Disclose Shareholding of Promoters as below:

Shares held by promoters at the end of the year

S. No	Promoter name	As at 31 March 2025			As at 31 March 2024		
		No. of Shares	% of total shares	Change during the year	No. of Shares	% of total shares	Change during the year
1	Ganges Securities Limited	3,04,16,970	18.57%	-	3,04,16,970	18.57%	-
2	Hargaon Investment and Trading Co. Ltd.	1,71,13,960	10.45%	-	1,71,13,960	10.45%	-
3	New India Retailing & Investment Ltd.	1,70,63,040	10.42%	-	1,70,63,040	10.42%	-
4	Yashovardhan Inv.& Trading Co. Ltd.	1,48,68,360	9.08%	-	1,48,68,360	9.08%	-
5	Ronson Traders Ltd.	97,23,730	5.94%	-	97,23,730	5.94%	-
6	OSM Investment & Trading Co. Ltd.	63,88,200	3.90%	-	63,88,200	3.90%	-
7	Champaran Marketing Co. Ltd.	30,98,100	1.90%	-	30,98,100	1.90%	-
8	SCM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
9	RTM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
10	Sidh Enterprises Ltd.	11,94,240	0.73%	-	11,94,240	0.73%	-
11	SIL Investments Ltd.	7,50,000	0.46%	-	7,50,000	0.46%	-
12	Sonali Commercial Ltd.	2,84,350	0.17%	-	2,84,350	0.17%	-
13	Shri Chandra Shekhar Nopany	1,10,000	0.07%	-	1,10,000	0.07%	-
14	Uttam Commercial Ltd.	9,000	0.01%	-	9,000	0.01%	-
15	Shekhar Family Trust	1,00,050	0.07%	-	1,00,050	0.07%	-
16	Nandini Nopany	100	0.00%		100	0.00%	-
		10,47,78,660	**64.01%**	**0.00%**	**10,47,78,660**	**64.01%**	**0.00%**

(All amounts are in Rupees Crore, unless otherwise stated)

18. Other equity

Particulars			As at 31 March 2025	As at 31 March 2024
a.	**General reserve**			
	Balance at the beginning of the year		208.06	208.06
	Add: Transferred from retained earnings		-	-
	Balance at the end of the year		**208.06**	**208.06**
b	(i).	**Retained earnings**		
		Balance at the beginning of the year	719.29	871.23
		Profit for the year	(68.40)	(135.56)
		Less: Dividend on equity shares	-	(16.38)
		Less: Amount transferred to general reserve	-	-
			650.89	**719.29**
b.	(ii)	**Remeasurement of defined benefit plans (Other comprehensive income)**		
		Balance at the beginning of the year	11.76	8.22
		Addition during the year	2.04	3.54
		Balance at the end of the year	**13.80**	**11.76**
		Sub total (b(i)+ b(ii)	**664.69**	**731.05**
c.		**Exchange differences on translation of operations into reporting currency**		
		Balance at the beginning of the year	5.61	5.51
		Addition during the year	0.05	0.10
		Balance at the end of the year	**5.66**	**5.61**
			878.41	**944.72**

Nature and purpose of other reserves/ other equity

General reserve

The Group appropriates a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Companies Act, 2013.

Retained earnings:

Retained earnings are the profit that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Other comprehensive income :

(i) **Remeasurements of defined benefit plans :** represents the following as per Ind AS 19-Employee Benefits:

- (a) actuarial gains and losses;
- (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

18. Other equity (Contd.)

(ii) Exchange differences on translation of foreign operations

These comprise of all exchange difference arising from translation of financial statement of foreign operations.

Dividend

The following dividends were declared and paid by the Holding Company

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
No dividend declared and paid during the year ended 31 March 2025 (31 March 2024 Rs. 1.00 per equity share of Rs.1 each paid)	-	16.38
	-	**16.38**

After the reporting date no dividend was proposed by the Board of Directors of the Holding Company.

19. Non-current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Term loans (Secured)		
- From banks	324.66	275.41
	324.66	**275.41**

a. Securities

Term loans are secured by first equitable mortgage ranking pari-passu over the Group's immovable properties situated at Bhawanimandi (Rajasthan), Kathua (Jammu & Kashmir), Baddi (Himachal Pradesh) and Daheli (Gujarat) and moveable assets (save and except book debts) both present and future, subject to prior charges created/to be created, in favour of bankers, on moveable assets including book debts to secure working capital borrowings.

b. Terms of repayment and interest are as follows :

Secured loan from	Repayment frequency	Year of maturity	Rate of interest p.a. (%)	As at 31 March 2025	As at 31 March 2024
Punjab National Bank, Kota	Quarterly	FY 2025	8.80	-	3.21
Bank of Maharashtra, Jaipur	Quarterly	FY 2026	8.95	18.74	43.75
Jammu & Kashmir Bank, Kathua	Quarterly	FY 2026-29	8.10	82.42	109.84
ICICI Bank, Kolkata	Quarterly	FY 2026-28	9.00 to 9.70	184.00	60.59
HDFC Bank, Jaipur	Quarterly	FY 2026-29	8.14 to 8.29	89.64	113.98
Indusind Bank,	Quarterly	FY 2031	8.25	79.06	40.00
				453.86	**371.37**
Less : Current maturities of long term debt (Refer Note 25)				129.20	95.96
				324.66	**275.41**

c. The Group's exposure to interest rate, foreign currency and liquidity risk is included in note 46.

d. Fixed deposit less than 1 year of Rs 5.70 crores with Indusind bank against term loan (Refer note no 13).

(All amounts are in Rupees Crore, unless otherwise stated)

20. Lease liabilities

The following is the movement in lease liabilities during the year ended 31 March 2025:

Lease liabilities	As at 31 March 2025	As at 31 March 2024
Opening balance	**2.23**	**1.88**
Addition*	1.58	45.76
Interest expenses	0.14	0.18
Derecognisation*	-	(44.27)
Payment	(1.24)	(1.32)
Closing balance	**2.71**	**2.23**

Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one year	1.37	1.13
After one year but not longer than five years	1.17	0.95
More than five years	2.47	2.51
Total	**5.01**	**4.59**

Lease liabilities included in the statement of financial position as at 31 March 2025

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current	1.34	1.22
Current	1.37	1.01
Total	**2.71**	**2.23**

Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on lease liabilities	0.14	0.18
Amortization of Right-of-use assets (refer note 3C)	0.98	1.38
Impact on the statement of profit and loss for the year	**1.12**	**1.56**

Amount recognised in the statement of cash flows

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Repayment of lease liabilities including interest expenses	1.24	1.32
Impact on the statement of cash flows for the year	**1.24**	**1.32**

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

20. Lease liabilities (Contd.)

*During the previous year, the Holding Company created lease liablity amounting to Rs 44.27 crore for leasehold land acquired for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the leasehold land allocated for the project has been surrendered, leading to the written of the aforementioned laiblity. (refer note -39 (a))

21. Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Trade deposits	6.49	6.65
Employee security deposits	0.03	0.03
	6.52	**6.68**

22. Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits:		
Provision for compensated absenses	12.73	12.87
	12.73	**12.87**

23. Deferred tax assets (net)

A. Movement in deferred tax balances

Particulars	As at 31 March 2024	Recognized during the year	Utilised/ Remeasurements during the year	As at 31 March 2025
Deferred tax assets				
Unabsorbed Depreciation and Business Lossess	65.92	30.59	19.42	77.09
Disallowance u/s 43B of Income Tax Act, 1961	14.98	0.31	-	15.29
Provision for doubtful debts and others	4.85	0.56	-	5.41
Total (A)	**85.75**	**31.46**	**19.42**	**97.79**
Deferred tax liabilities				
Property, plant and equipment	118.77	-	28.46	90.31
Total (B)	**118.77**	**-**	**28.46**	**90.31**
Net deferred tax assets (B)-(A)	**33.02**	**(31.46)**	**9.04**	**(7.48)**

23. Deferred tax assets (net) (Contd.)

Particulars	As at 31 March 2023	Recognized during the year	Utilised during the year	As at 31 March 2024
Deferred tax assets				
Unabsorbed Depreciation and Business Lossess	-	65.92	-	65.92
Disallowance u/s 43B of Income Tax Act, 1961	14.46	0.52	-	14.98
Provision for doubtful debts and others	5.77	-	0.92	4.85
Total (A)	**20.23**	**66.44**	**0.92**	**85.75**
Deferred tax liabilities				
Property, plant and equipment	120.13	-	1.36	118.77
Total (B)	**120.13**	**-**	**1.36**	**118.77**
Net deferred tax liablities (B)-(A)	**99.90**	**(66.44)**	**0.44**	**33.02**

1.As of date, the Holding Company has recognized deferred tax assets amounting to Rs.77.09 crores (31 March 2024 Rs 65.92 crore), arising from unabsorbed depreciation and carried-forward tax losses. In accordance with the provisions of the Income Tax Act, 1961, tax losses can be carried forward as per below table. Based on the Holding Company's business plans and projected profitability, management is confident in the recoverability of these deferred tax assets within the prescribed timeframe.

Particulars	Expiry Year	FY 24-25	FY 23-24
Unabsorbed depreciation FY 23-24	No Expiry	107.70	107.70
Business Loss during the FY 23-24	31 March 2033	78.46	78.46
Unabsorbed depreciation FY 24-25	No Expiry	90.29	-

2.Section 115BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Ordinance, 2019, allows any domestic company to pay income tax at the rate of 25.17%, effective from the fiscal year 2019-20, subject to the condition that they will not avail any incentives or exemptions. This new tax scheme provides an option for a lower tax base of 25.17%, while the existing tax rate is 34.94%. Based on the current estimate of the future projections, the Holding Company expects to shift under new tax regime from FY 2028-29 and has re-measured its deferred tax balances. Consequently, credit of Rs.7.00 Crores has been recorded in the Statement of Profit and Loss during the year.

The Group overseas subsidiaries has been in net operating losses (NOL) and in the absence of convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the entity, deferred tax asset have not been recognised. The overseas subsidiaries has NOL's carry forwards of USD 0.84 crores as at 31 March 2025, out of which the carry forwards loss of USD 0.01 crores will expire in the year 2038. Remaining NOL can be carry forwards indefinitely.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

23. Deferred tax assets (net) (Contd.)

B. Amounts recognised in statement of profit or loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax expense		
Current tax	-	0.01
Tax related to earlier years	-	0.71
	-	**0.72**
Deferred tax expense		
Origination and reversal of temporary differences	(41.60)	(68.79)
	(41.60)	**(68.79)**
	(41.60)	**(68.07)**

C. Amounts recognised in other comprehensive income

Particulars	Before tax	Tax (expense)/ income	Net of tax
For the year ended 31 March 2025			
Remeasurements of defined benefit liability	3.14	(1.10)	2.04
Exchange differences on translation of operations into reporting currency	0.05	-	0.05
	3.19	**(1.10)**	**2.09**
For the year ended 31 March 2024			
Remeasurements of defined benefit liability	5.45	(1.91)	3.54
Exchange differences on translation of operations into reporting currency	0.10	-	0.10
	5.55	**(1.91)**	**3.64**

D. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(a) Profit before tax from Indian operations	**(125.80)**	**(202.69)**
Tax using the Holding Company's domestic tax rate @ 34.94% (31 March 2024: 34.94%)	(43.96)	(70.83)
Tax effect of:		
Non-deductible expenses	7.23	1.99
Effect of credit recognised on re-measurement of deferred tax balances {refer note 23 A (2)}	(7.00)	-
Income tax relating to earlier years	-	0.71
Others	2.13	0.05
Income tax expenses reported in the statement of profit and loss	**(41.60)**	**(68.08)**
Effective tax rate	**33.07%**	**33.59%**

(All amounts are in Rupees Crore, unless otherwise stated)

23. Deferred tax assets (net) (Contd.)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(b) Profit before tax from foreign operations	(6.73)	(11.45)
Tax using the subsidiaries foreign tax rate @19.45 % (31 March 2024: 21%)	(1.31)	(2.40)
Tax effect of:		
Non-deductible expenses	0.00	0.00
Effect of recognition of tax effect of previously unrecognised tax losses now recognised as deferred tax assets		-
Effect of current year losses for which no deferred tax asset is recognised	1.31	2.41
Changes in recognised deductible temporary differences	-	0.00
Income tax expense	**0.00**	**0.01**
Effective tax rate	**-0.03%**	**-0.06%**
Total income tax expenses reported in the statement of profit and loss (a+b)	**(41.60)**	**(68.07)**
Elimination adjustments	**22.53**	**10.51**
Profit before tax	**(110.00)**	**(203.63)**
Overall Effective Tax Rate	**37.82%**	**33.43%**

24. Other non current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred government grant		
Capital subsidies on specific plant and machineries	1.85	2.88
	1.85	**2.88**
Movement of deferred government grants is as below:		
Balance at the beginning of the year	2.88	3.94
Grant amortized and transferred to statement of profit and loss	(1.03)	(1.06)
Balance at the end of the year	**1.85**	**2.88**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

25. Current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Loan repayable on demand (Secured)*		
- From banks	411.21	429.34
Bills discounted**	7.03	39.77
Current maturities of long-term debt (refer note 19)	129.20	95.96
Loan repayable on demand (unsecured)		
HDFC credit card	3.87	3.76
	551.31	**568.83**

* Working capital facilities from banks are secured/to be secured by hypothecation of moveable's including book debts, both present and future, of the unit, ranking pari-passu inter se.

During the year ended March 31, 2025, the Company has repaid a working capital facility from ICICI Bank amounting to Rs 20 cr.

** Bills discounted are secured against the book debts and inventory which have been discounted

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

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	(Excess)/ Shortage	Whether return/ statement subsequently rectified
March 2024	Punjab National Bank, Jammu & Kashmir Bank, HDFC Bank, DBS Bank, DCB Bank, ICICI Bank, Federal Bank, Axis Bank and Kotak Bank	Inventory net of trade payable	403.69	397.20	6.49	Yes*
March 2024		Trade Receivables	254.15	254.26	(0.11)	Yes*
June 2024		Inventory net of trade payable	395.26	392.36	2.90	Yes*
June 2024		Trade Receivables	267.02	267.02	-	Yes*
September 2024		Inventory net of trade payable	362.14	364.16	(2.02)	Yes*
September 2024		Trade Receivables	288.95	291.11	(2.16)	Yes*
December 2024		Inventory net of trade payable	377.18	380.89	(3.71)	Yes*
December 2024		Trade Receivables	250.12	253.73	(3.61)	Yes*

*The Holding Company regularly submits provisional drawing power (DP) statements on a monthly basis to Punjab National Bank (PNB) being the lead bank by the 15th of the following month and also to other member banks. The DP limit is computed in accordance with the terms and conditions outlined in the sanction letter. Discrepancies between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory and debtors are done as per the bank sanction letter. During the current year the Company has submitted revised DP statements tallying with the books of accounts for the aforesaid periods. In FY24-25, the actual utilization of working capital remained within the bank sanction/DP limits.

(All amounts are in Rupees Crore, unless otherwise stated)

26. Trade Payables

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Total outstanding dues of micro enterprises and small enterprises and #	28.51	15.23
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*	135.71	140.69
Total	**164.22**	**155.92**
Note		
The Group's exposure to credit and currency risk, and loss allowances related to trade payable is disclosed in note 46.		
* Trade payable includes due from related parties, refer note 45.		
# Dues to micro enterprises and small enterprises (as per the intimation received from vendors):		
a. Principal amount remaining unpaid. .	28.51	15.23
b. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c. Interest due to payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
d. Interest accrued and remaining unpaid.	-	-
e. Interest remaining due to payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-
	28.51	**15.23**

A. Trade Payables ageing schedule

Particulars	As at 31 March 2025					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.15	19.25	0.11	-	-	28.51
(ii) Others	54.36	74.76	2.54	0.92	3.13	135.71
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**63.51**	**94.01**	**2.65**	**0.92**	**3.13**	**164.22**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

26. Trade Payables (Contd.)

B. Trade Payables ageing schedule

Particulars	As at 31 March 2024					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.00	3.23	-	-	-	15.23
(ii) Others	72.73	59.86	1.43	1.91	4.76	140.69
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**84.73**	**63.09**	**1.43**	**1.91**	**4.76**	**155.92**

27. Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Unpaid dividend	0.33	0.57
Interest accrued and due on borrowings	1.12	1.41
Employees related liabilities	50.37	49.33
Creditors for capital goods	1.15	0.35
Current portion of deferred payment liabilities	-	1.15
Security deposits (Including Retention money)	1.73	1.56
Director's commission	0.54	0.63
Others	1.61	2.37
	56.85	**57.37**

28. Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Contract liabilities	7.76	6.89
Advance against assets held for sale #	3.14	3.14
Statutory dues	9.08	8.99
Current portion of the gain on deferred payment liabilities	-	0.32
	19.98	**19.34**

Advance received against sale of Captive Co-Generation Power Plant ('CGPP') {Refer note 16(a)}.

(All amounts are in Rupees Crore, unless otherwise stated)

29. Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provisions for employee benefit		
Compensated absenses	2.97	2.94
Gratuity (refer note 44)	4.50	2.32
Others		
Others - Contingencies	8.14	7.98
	15.61	**13.24**

Others - Contingencies

Provision for disputed statutory matters have been made, where the Group anticipates probable outflow. The amount of provision is based on estimate made by the Group considering the facts and circumstances of each case. The timing and amount of cash flow will be determined by the relevant authorities on settlement of cases.

The movement of provisions is presented below:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	7.98	7.98
Provision made during the year	0.17	0.17
Payment made/ provision reversed during the year	(0.01)	(0.17)
Balance at the end of the year	**8.14**	**7.98**

30. Tax liabilities (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Income tax (net)	0.01	0.01
	0.01	**0.01**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

31. Revenue from operations

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of textile products (net of taxes)		
Manufactured goods	2,503.09	2,508.49
Traded goods	87.43	103.31
Total (i)	**2,590.52**	**2,611.80**
Sale of services		
Job processing	32.13	37.93
Others	2.02	3.02
Total (ii)	**34.15**	**40.95**
Total [(iii) = (i) + (ii)]	**2,624.67**	**2,652.75**
Other operating revenue		
Export incentives	42.07	50.45
EPR Income	10.02	-
Total (iv)	**52.09**	**50.45**
Revenue from operations [(iii) + (iv)]	**2,676.76**	**2,703.20**

Disaggregation of revenue from contract with customers

Type of service: The Groups earns revenue primarily from selling of textile products and job work processing.

Recognition:

a. Revenue from sale of goods is recognised when the performance obligation is satisfied. Revenue is recognised at point in time.

b. Revenue from sale of services is recognised over point of the time.

c. Revenue from other operating revenue is recognised when the performance obligation is satisfied.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A	**Revenue streams**		
	Sale of textile products (net of taxes)		
	Manufactured goods	2,503.09	2,508.49
	Traded goods	87.43	103.31
	Sale of services		
	Job processing	32.13	37.93
	Others	2.02	3.02
	Other operating revenue		
	Export incentives	42.07	50.45
	Extended Producers Responsibility Credits	10.02	-
	Revenue from operation	**2,676.76**	**2,703.20**

31. Revenue from operations (Contd.)

	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
B	**Disaggregation of revenue from contracts with customers**		
	Geographical wise		
	India	1,666.76	1,584.41
	Outside India	957.91	1,068.34
	Revenue from operation excluding other operating income	**2,624.67**	**2,652.75**
	Timing of revenue recognisation		
	Product transferred at point of time	2,590.52	2,611.80
	Services transferred over time	34.15	40.95
	Revenue from operation excluding other operating income	**2,624.67**	**2,652.75**
C	**Reconciliation of revenue recognised with contract price**		
	Revenue as per contract price	2,635.93	2,663.26
	Adjustment for:		
	Discount	8.91	7.38
	Rebate and liability claim	2.35	3.13
	Total Revenue from contract price (excluding operating income)	**2,624.67**	**2,652.75**

D **Performance obligation**

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

E **Contract balances**

The following table provide information about receivable and contract liabilities from contract with customers.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Receivables, which are included in "trade receivable"	345.00	344.26
Contract liabilities	7.76	6.89

The contract liabilities primary relate to the advance consideration recevied from customers for sales of products, for which revenue is recognised on point of time. The amount of Rs. 6.89 crores included in contract liabilities as at 31 March 2024 has been recognised as revenue during the year ended 31 March 2025.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

32. Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.26	0.06
- from others	7.73	9.02
Dividend from preference share	-	1.33
Profit on sale/discard of property, plant and equipment (net)	4.32	2.13
Foreign currency transactions and translation (net)	0.19	1.48
Sundry credit balances written back (net)	1.58	0.11
Insurance claims	0.26	0.99
Deferred government grants (refer note 24)	1.03	1.06
Miscellaneous income	6.40	7.84
	21.77	**24.02**

33. Cost of materials consumed

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Raw material consumed	1,404.12	1,349.66
Consumption of dyes and chemicals	87.02	90.76
	1,491.14	**1,440.42**

34. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Closing inventory		
Work-in-progress	110.69	100.29
Finished goods	144.66	139.07
Stock- in- trade	15.74	16.00
Wastage material	12.36	12.69
Total (A)	**283.45**	**268.05**
Opening inventory		
Work-in-progress	100.29	131.03
Finished goods	139.07	293.58
Stock- in- trade	16.00	18.63
Wastage material	12.69	5.64
Total (B)	**268.05**	**448.88**
Less : Foreign currency translation difference	0.43	0.25
Total (C)	**0.43**	**0.25**
Total (B-A+C)	**(14.97)**	**181.08**

35. Employee benefits expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	400.77	372.55
Contribution to provident and other funds	38.75	39.23
Staff welfare expenses	5.10	4.80
	444.62	**416.58**

36. Finance costs @

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expenses ##	62.08	63.50
Exchange difference on the principal amount of foreign currency borrowing *	0.63	0.64
Other borrowing costs	0.71	0.89
	63.42	**65.03**

@ Net of amount capitalized refer note 43 and 3A

Net of interest subsidies under various schemes amounting to Rs 2.28 crore (31 March 2024 Rs. 2.49 crores).

* Exchange differences on the principal amount of the foreign currency borrowings to the extent that exchange differences are regarded as an adjustment to borrowing costs have been disclosed as "Finance costs".

37. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation on property, plant and equipment (refer note 3A)	109.32	114.71
Amortisation on intangible assets (refer note 4)	0.91	0.95
Depreciation on right-of-use assets (refer note 3C)	0.98	1.38
	111.21	**117.04**

38. Other expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Processing and job charges	2.28	1.48
Consumption of stores, spares and consumables	101.48	97.90
Power, fuel and water charges	303.78	294.55
Rent	1.71	1.57
Insurance	8.84	9.41
Rates and taxes	0.65	0.80
Repairs and maintenance:		
Buildings	6.21	6.08
Plant and machinery	40.35	39.06
Others	2.98	2.90

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

38. Other expenses (Contd.)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Freight and forwarding expenses	87.76	78.61
Selling commission and brokerage	32.60	30.94
Charity and donation ##	0.53	0.04
Bad debts	0.06	0.24
Loss allowance for doubtful debts / write off (refer note 46 II (ii))	3.73	2.46
Provision for expected credit loss	-	0.02
Directors' commission and fees	0.25	0.99
Travelling expenses	6.35	7.81
Vehicle expenses	7.83	7.98
Legal and professional expenses	5.82	7.62
Corporate social responsibility expenses (refer below note)	1.01	2.17
Miscellaneous expenses #	25.80	26.22
	640.02	**618.85**
# includes auditor's remuneration (net of taxes)		
As auditor:		
Statutory audit fee	0.66	0.66
Other Capacity	0.28	0.19
Re-imbursement of expenses	0.10	0.13
	1.04	**0.98**

31 March 2025 includes 0.50 crore (31 March 2024 Rs. Nil) given to Samaj Electoral Trust Association.

Note: Details of corporate social responsibility expenses

As per Section 135 of Companies Act, 2013, a holding company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the Holding Company as per act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the Companies Act, 2013 in pursuant of the CSR policy.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(i) Gross amount required to be spend during the year	0.96	2.29
Less Surplus arising out of the CSR activities of the previous financial years 2021-22, set-off during the previous year (Approved by BOD)	-	0.13
Net CSR obligation for the year	**0.96**	**2.16**
(ii) Amount spent during the year$		
(a) Construction /acquisition of any asset	0.71	0.83
(b) On purpose other than (a) above	0.30	1.34
	1.01	**2.17**

$ Above amount spent for health care & sanitation, promotion of sports activities ,rural & development & social welfare, animal welfare , promotion of education and others.

39. Exceptional items

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Exceptional items	-	8.45
	-	**8.45**

(a) During the previous year, due to challenging market conditions in the spinning industry, the Holding Company decided not to proceed with the greenfield expansion project, which had been approved by the Board of Directors (BOD). The land allotted for the project was surrendered, and as per the agreement, a surrender fee of 20% of the land premium (Rs. 7.68 crores) was written off. Additionally, lease rent and other expenses amounting to Rs. 0.77 crores were written off. The total amount written off, Rs. 8.45 crores, has been disclosed as an "Exceptional items".

40. Earning per share

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit for the year	(68.40)	(135.56)
Weighted average number of equity shares of Rs. 1/- each	16,38,28,620	16,38,28,620
Basic and Diluted (per share in Rs.)	(4.18)	(8.27)

41. Contingent liabilities and commitments

Particulars	As at 31 March 2025	As at 31 March 2024
A. Contingent liabilities (to the extent not provided for) in respect of:		
1. Claim against the Holding Company not acknowledged as debts:		
Labour matters (including matter in respect of which stay granted by respective Hon'ble High Court), except for which the liability is unascertainable	4.11	4.18
2. Other matters for which the Holding Company is contingently liable:		
a) Demand raised by Excise Department for various matters	-	0.07
b) Demand raised by GST department for various matters [refer note 41{A(5)}]	9.34	3.39

3. Liability of customs duty towards export obligation undertaken by the Holding Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to Rs. 7.84 Crores (31 March 2024: Rs.7.43 Crores).

The Holding Company had imported Capital goods under EPCG and saved the custom duty. As per the EPCG terms and conditions, Holding Company needs to export Rs.31.01 Crores (31 March 2024: Rs.35.13 Crores) i.e. 6 times (25% of 6 times in case of Jammu & Kashmir) of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the Holding Company does not export goods in prescribed time, then the Holding Company may have to pay interest and penalty thereon.

Note: (i) Pending resolution of the respective proceedings, it is not practicable for the Holding Company to estimate the timings of cash outflows, if any, in respect of the above matters, timing of the cash outflows can be determined only on receipt of judgments/ decisions pending with various forums/ authorities.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

41. Contingent liabilities and commitments (Contd.)

Note: (ii) The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required, and disclosures are made for contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position . The Group does not expect any reimbursements in respect of the above contingent liabilities.

4 During the financial year 2022-23, The Holding Company filed a writ petition with the Honourable High Court of Chhattisgarh against South Eastern Coal Field Limited (SECL) in relation to an unfulfilled commitment for coal supply and the issuance of debit notes amounting to Rs. 1.85 crore (including GST) for non-lifting of coal under the Minimum Guaranteed Offtake (MGO) clause. The Honourable High Court directed the matter for settlement. However, in the previous financial year, the Holding Company withdrew the petition as the Settlement Committee did not grant any relief. Subsequently, the Holding Company filed a fresh writ petition in the High Court against both SECL and Indian Railways. In the current financial year, the Honourable High Court ruled against the Holding Company. Consequently, the Holding Company is in the process of filing a civil suit before the Court in Bilaspur.

5 During the previous year, the Holding company has received a notice from Directorate General of Analytics & Risk Management (DGARM) for non-compliance relating to provision of rule 96(10)) of the CGST Rules. Basis of legal opinion obtained, the Holding company is contesting for relief of interest and penalty,with no anticipated adverse implications on the company.

B. Commitments

	Particulars	As at 31 March 2025	As at 31 March 2024
1	Estimated amount of contracts remaining to be executed on capital account [net of advances] not provided for	8.09	24.95

42. Segment information

A. Description of segments and principal activities

Segment information is presented in respect of the Group's key operating segments. The operating segments are based on the Group's internal reporting structure. The board of directors have been identified as the chief operating decision maker ('CODM'), since Board of Directors is responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility. The Group's board examines the Group's performance both from a product and geographic perspective and has identified two reportable segments of its business:

a) **Yarn:** It comprises of recycle polyester staple fibre , cotton and man made fibres yarn;

b) **Home textiles :** It comprises of home furnishing and fabric processing

The Group's board reviews the results of each segment on a quarterly basis. However, of subsidiary company it review on annual basis. The Group's board of directors uses earning before interest and tax ('EBIT) to assess the performance of the operating segments.

(All amounts are in Rupees Crore, unless otherwise stated)

42. Segment information (Contd.)

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment's earnings before interest and tax (EBIT) is used to measure the segment's performance because management believes that this information is the most relevant to evaluate the results of the respective segments for comparing it with other entities that operate in the same industries.

Reportable Segments	Yarn	Home Textiles	Total
	For the year ended 31 March 2025	For the year ended 31 March 2025	For the year ended 31 March 2025
External revenues	2,484.76	195.00	2,679.76
Inter-segment revenue	3.00	-	3.00
Segment revenue	**2,481.76**	**195.00**	**2,676.76**
Segment result	(19.68)	(25.22)	(44.90)
Finance costs	-	-	63.42
Unallocated corporate expense (net of incomes)	-	-	1.68
Profit before tax	-	-	**(110.00)**
Tax expense	-	-	(41.60)
Profit after tax	-	-	**(68.40)**

Reportable Segments	Yarn	Home Textiles	Total
	For the year ended 31 March 2024	For the year ended 31 March 2024	For the year ended 31 March 2024
External revenues	2,492.60	214.28	2,706.88
Inter-segment revenue	3.68	-	3.68
Segment revenue	**2,488.92**	**214.28**	**2,703.20**
Segment result	(104.92)	(24.76)	(129.68)
Finance costs	-	-	65.03
Exceptional items (Refer note 39)	-	-	8.45
Unallocated corporate expense (net of incomes)	-	-	0.47
Profit before tax	-	-	**(203.63)**
Tax expense	-	-	(68.07)
Profit after tax	-	-	**(135.56)**

Other information

Particulars	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total Assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at 31 March 2025						
Yarn	1,782.69	-	1,782.69	797.83	-	797.83
Home textiles	246.65	-	246.65	111.01	-	111.01
Unallocated	-	21.90	21.90	-	247.61	247.61
Total	**2,029.34**	**21.90**	**2,051.24**	**908.84**	**247.61**	**1,156.45**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

42. Segment information (Contd.)

Particulars	Capital expenditure	
	Segment capital expenditure	Total capital expenditure
As at 31 March 2025		
Yarn	62.69	62.69
Home textiles	2.71	2.71
Total	**65.40**	**65.40**

Particulars	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total Assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at 31 March 2024						
Yarn	1,850.66	-	1,850.66	767.21	-	767.21
Home textiles	249.35	-	249.35	104.05	-	104.05
Unallocated	-	8.89	8.89		276.54	276.54
Total	**2,100.01**	**8.89**	**2,108.90**	**871.26**	**276.54**	**1,147.80**

Particulars	Capital expenditure	
	Segment capital expenditure	Total capital expenditure
As at 31 March 2024		
Yarn	50.01	50.01
Home textiles	5.69	5.69
Total	**55.70**	**55.70**

C. Geographic information

The Yarn and Home Textile segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in India. The geographic information analyses the Group's revenue by the Group's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

a) Revenues from different geographies

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Domestic	1,669.76	1,588.09
Export *	957.91	1,068.34
	2,627.67	**2,656.43**
Other operating income	52.09	50.45
Segment revenue	**2,679.76**	**2,706.88**

42. Segment information (Contd.)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
*** Export**		
Turkey	132.70	244.79
Bangladesh	251.49	212.79
USA	108.70	76.42
Hong Kong	41.03	57.98
Singapore	21.51	28.03
Rest of the World	402.48	448.33
	957.91	**1,068.34**

b) Non-current assets **

Particulars	As at 31 March 2025	As at 31 March 2024
India	1,048.68	1,095.28
Rest of the World	3.12	2.71
	1,051.80	**1,097.99**

** Non-current assets exclude investments and tax assets

43. Borrowing cost

During the year, Group has capitalized borrowing cost amounting to Rs 0.09 crores (31 March 2024: Rs. 1.06 crores) under head plant and equipment and building. The capitalisation rate used to determine the amount of borrowing cost for capitalisation purpose is weighted average interest rate to the company i.e.8.20% .(31 March 2024 7.96%). Details of capitalisation is as below:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Plant and equipment	0.09	1.04
Buildings	-	0.01
Others	-	0.01
	0.09	**1.06**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

44. Employee benefits

The Holding Company contributes to the following post-employment defined benefit plans in India.

(i) Defined contribution plans:

The Holding Company makes contributions towards provident fund and superannuation fund to a defined contribution benefit plan for qualifying employees. Under the plan, the Holding Company is required to contribute a specified percentage of specified employment benefit expenses to the benefit plans.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Contribution to provident fund	24.92	25.12
Contribution to employee's state insurance	5.29	5.39

(ii) Defined benefit plan:

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee’s last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. Gratuity liability (other than for Baddi units) is being contributed to the gratuity fund formed by the Holding Company and in case of Baddi unit, company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

(All amounts are in Rupees Crore, unless otherwise stated)

44. Employee benefits (Contd.)

A. **Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation:

Particulars	As at and for the year ended 31 March 2025			As at and for the year ended 31 March 2024		
	Present value of the obligation	Fair value of the planned Assets	Total	Present value of the obligation	Fair value of the planned Assets	Total
Balance at the beginning of the year	**58.15**	**55.83**	**2.32**	**55.67**	**51.67**	**4.00**
Amount Recognised in profit and loss:						
Current service cost	7.63	-	7.63	7.43	-	7.43
Interest cost	4.13	(3.97)	0.16	4.12	(3.81)	0.31
	11.76	**(3.97)**	**7.79**	**11.55**	**(3.81)**	**7.74**
Remeasurement:						
Actuarial loss (gain) arising from:						
- Changes in financial assumptions	0.61	-	0.61	1.66	-	1.66
- Changes in demographic assumption	-	-	-	-	-	-
- Changes in experience adjustment	(3.60)	-	(3.60)	(5.13)	-	(5.13)
Return on plan assets recognised in OCI	-	(0.15)	(0.15)	-	(1.98)	(1.98)
Total amount recognised in OCI	(2.99)	(0.15)	(3.14)	(3.47)	(1.98)	(5.45)
Contributions paid by the employer	-	2.44	-	-	3.98	-
Benefits paid	(7.60)	(7.60)	-	(5.60)	(5.60)	-
Interest income	-	4.15	-	-	5.78	-
Balance at the end of the year	**59.32**	**54.82**	**4.50**	**58.15**	**55.83**	**2.32**

B. **Plan assets**

For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets:

	Amounts		% Composition	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
State/ Govt. of India securities	7.44	8.80	14%	16%
Corporation bonds/ fixed deposits with banks	4.54	4.00	8%	7%
Special deposit scheme with Bank	3.51	3.51	6%	6%
HDFC group unit linked plan-option B	27.19	27.72	50%	50%
Other investments -UTI master shares	4.59	4.67	8%	8%
LIC fund	6.40	6.43	12%	12%
Others Refundable net	1.15	0.70	2%	1%
	54.82	**55.83**	**100%**	**100%**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025
(All amounts are in Rupees Crore, unless otherwise stated)

44. Employee benefits (Contd.)

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.99%	7.10%
Expected rate of future salary increase	6.00%	6.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rates at ages:-		
- Up to 30 years	3%	3%
- From 31 to 44 years	2%	2%
- Above 44 years	1%	1%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Holding Company expects to pay Rs 11.25 Crores (Previous year Rs.9.07 Crores) in contribution to its defined benefit plans in the next year

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points movement)	(4.64)	1.19	(2.90)	3.16
Expected rate of future salary increase (50 basis points movement)	1.21	(4.67)	3.17	(2.94)
Attrition rate	0.11	(0.11)	0.09	(0.09)
Mortality	0.01	(0.01)	0.01	(0.01)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as regards rate of inflation, rate of increase in payment of pensions, rate of increase in payment of pensions before retirement and life expectancy are not applicable being a lump sum benefit payables on retirement. Although, the analysis does not take account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions disclosed above.

E. Maturity profile of defined benefit obligation

Year	As at 31 March 2025	As at 31 March 2024
0 to 1 year	6.75	6.12
1 to 2 year	1.67	1.84
2 to 3 year	2.02	1.74
3 to 4 year	2.69	3.02
4 to 5 year	2.88	2.53
5 to 6 year	2.97	2.71
6 year onwards	40.34	40.19

(All amounts are in Rupees Crore, unless otherwise stated)

44. Employee benefits (Contd.)

F. **Description of risk exposures:**

Defined benefit plans expose the Holding Company to below actuarial risks :

Changes in bond yields:	Decrease in bond yields will increase plan liabilities, although this will partially be offset by the increase in value of the plan assets.
Life expectancy:	Defined benefit obligations are to provide benefits for the life of the members of the plan, so increase in life expectancy will result in increase in plan's liabilities. This is particularly significant where inflationary increase results in higher sensitivity to the changes in life expectancy.
Asset Volatility	Asset volatility is the risk when assets underperform in comparison to the bond yield, then this create asset deficit.

45. Related parties*

A. Related parties and their relationships

i **Entity in which KMP has significant influence where transactions have taken place during current and previous year**

Avadh Sugar and Energy Limited

ii **Key Managerial Personnel (KMP)**

Name	Relationship
Mr. C. S. Nopany	Executive Chairman
Mr. U. K. Khaitan	Non-executive Director (till 22nd Aug 2024)
Mr. Amit Dalal	Non-executive Director (till 22nd Aug 2024)
Mr. Rajan Dalal	Non-executive Director (till 22nd Aug 2024)
Mr. Rajiv K.Podar	Non-executive Director (till 22nd Aug 2024)
Smt. Sonu Bhasin	Non-executive Director
Mr. Ashok Mittal	Non-executive Director
Mr. Rohit Dhoot	Non-executive Director
Mr. Arhant Vikram Nopany	Non-executive Director (Wef 30th July 2024)
Mr. Sameer Kaji	Non-executive Director (Wef 9th May 2024)
Ms. Deepa Kapoor	Non-executive Director (Wef 9th May 2024)
Mr. Rajib Mukhopadhyay	Chief Financial Officer (Wholetime Director till 23rd March 2025)
Mr. Ashish Kumar Srivastava	Wholetime Director and Chief Executive Officer (Wef 24th March 2025)
Mr. Updeep Singh Chatrath	President and Chief Executive Officer (till 21st July 2023)
Mr. Suresh Kumar Khandelia	Advisor to Executive Chairman (till 31st March 2025)

iii **Post employment benefit entity:**

Sutlej Textiles and Industries Employee Gratuity Fund

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

45. Related parties* (Contd.)

B. Transactions with the above in the ordinary course of business

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
a)	**Transactions with Avadh Sugar and Energy Ltd**		
	Reimbursement of expenses	2.47	4.35
b)	**Remuneration to key managerial personnel**		
	Mr. C. S. Nopany		
	- Short-term employee benefits	3.00	3.00
	- Commission	-	-
	Mr. Updeep Singh Chatrath		
	- Short-term employee benefits	-	1.04
	- Post-employment benefits	-	0.05
	Mr. Suresh Kumar Khandelia		
	- Short-term employee benefits	6.00	4.13
	Mr. Rajib Mukhopadhyay		
	- Short-term employee benefits	1.40	1.36
	- Post-employment benefits	0.10	0.07
	Mr. Ashish Kumar Srivastava		
	- Short-term employee benefits	0.10	-
	- Post-employment benefits	-	-
c)	**Director sitting fees**		
	Mr. C. S. Nopany	0.03	0.03
	Mr. U. K. Khaitan	0.02	0.04
	Mr. Amit Dalal	0.02	0.04
	Mr. Rajan Dalal	0.02	0.03
	Mr. Rajiv K. Podar	0.02	0.04
	Smt. Sonu Bhasin	0.04	0.04
	Mr. Rohit Dhoot	0.04	0.04
	Mr. Arhant Vikram Nopany	0.04	-
	Mr. Sameer Kaji	0.04	-
	Ms. Deepa Kapoor	0.04	-
	Mr. Ashok Mittal	0.05	0.03
d)	**Director commission**		
	Mr. U. K. Khaitan	-	0.10
	Mr. Amit Dalal	-	0.10
	Mr. Rajan Dalal	-	0.10
	Mr. Rajiv K.Podar	-	0.10
	Smt. Sonu Bhasin	0.10	0.10
	Mr. Rohit Dhoot	0.10	0.10
	Mr. Arhant Vikram Nopany	0.10	-

45. Related parties* (Contd.)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Mr. Sameer Kaji	0.10	-
Ms. Deepa Kapoor	0.10	-
Mr. Ashok Mittal	0.10	0.10
e) Contribution to Post employment benefit entity		
Sutlej Textiles and Industries Employee Gratuity Fund	2.44	3.98

C. Balances outstanding

Particulars	As at 31 March 2025	As at 31 March 2024
Trade Receivables		
Avadh Sugar and Energy Limited	-	0.00**
**The total amount of trade receivables in absolute value is Rs. 28,359, but for reporting purpose rounded up to Rs. 0.0 crores		
Payables		
Avadh Sugar and Energy Limited	0.76	1.08
Mr. C. S. Nopany		
Remuneration	0.25	-
Short-term employee benefit payable		
Mr. Suresh Kumar Khandelia	0.50	0.50
Mr. Rajib Mukhopadhyay	0.11	0.11
Mr. Ashish Kumar Srivastava	0.10	-
Post employment benefit payables		
Mr. Ashish Kumar Srivastava	-	-
Mr. Rajib Mukhopadhyay	0.20	0.11
Director Commission Payables (Including TDS):		
Mr. U. K. Khaitan	-	0.10
Mr. Amit Dalal	-	0.10
Mr. Rajan Dalal	-	0.10
Mr. Rajiv K.Podar	-	0.10
Smt. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr. Arhant Vikram Nopany	0.10	-
Mr. Sameer Kaji	0.10	-
Ms. Deepa Kapoor	0.10	-
Mr. Ashok Mittal	0.10	0.10
Payables		
Sutlej Textiles and Industries Employee Gratuity Fund	3.28	1.69

* Transactions with related parties are conducted on an arm's length basis.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

46. Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	Note	As at 31 March 2025		As at 31 March 2024	
		FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets					
Investments					
Equity shares of JNSB*	5	0.00	-	0.00	-
Other non-current financial assets	6	-	13.55	-	15.05
Trade receivables	11	-	345.00	-	344.26
Cash and cash equivalents	12	-	11.92	-	2.88
Bank balances other than cash and cash equivalents	13	-	7.51	-	2.94
Other current financial assets	14	0.90	51.62	0.09	94.77
		0.90	**429.60**	**0.09**	**459.90**
Financial liabilities					
Non Current Borrowings	19	-	324.66	-	275.41
Lease liabilities	20	-	2.71	-	2.23
Other non-current financial liabilities	21	-	6.52	-	6.68
Short terms borrowings	25	-	551.31	-	568.83
Trade payables	26	-	164.22	-	155.92
Other current financial liabilities	27	-	56.85	-	57.37
		-	**1106.27**	**-**	**1066.44**

*The total amount of investments in absolute value is Rs. 5,000 (31 March 2024: Rs. 5000), but for reporting purpose rounded up to Rs. 0.0 Crores

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

There are no transfers made between level 1 and level 2 during the year.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined as per values provided by banks
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and preference shares, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

46. Financial instruments – Fair values and risk management (Contd.)

B. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value, and

(b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2025				
Financial assets				
Financial investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative assets	-	0.90	-	0.90
Total financial assets	**-**	**0.90**	**0.00**	**0.90**
As at 31 March 2024				
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative assets	-	0.09	-	0.09
Total financial assets	**-**	**0.09**	**0.00**	**0.09**

*The total amount of investments in absolute value is Rs. 5,000, but for reporting purpose rounded up to Rs. 0.0 Crores

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There are no transfers made between level 1 and level 2 during the year

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

46. Financial instruments – Fair values and risk management (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

Particulars	Unlisted equity shares*		Unlisted preference shares	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Balance at the beginning of the year	0.00	0.00	(0.00)	1.24
Redemption of Preference shares	-	-	-	(1.30)
Gain/(losses) recognised in statement of profit or loss	-	-	-	0.06
Balance at the end of the year	**0.00**	**0.00**	**(0.00)**	**(0.00)**

*The total amount of investments in absolute value is Rs. 5,000, but for reporting purpose rounded up to Rs. 0.0 Crores

Valuation inputs and relationships to fair value

Type of financial instrument	Fair Value as at 31 March 2025	Fair Value as at 31 March 2024	Significant unobservable inputs	Probability-weighted range
Unquoted preference shares in Palash Securities Limited **	-	-		
Unquoted equity shares (In equity shares of Co-operative Bank: The Jhalawar Nagrik Sahkari Bank Ltd., Bhawanimandi*)	0.00	0.00	0.00	

*The total amount of investments in absolute value is Rs. 5,000 (31 March 2024: Rs. 5000), for reporting purpose rounded up to Rs. 0.0 Crores. Sensitivity analysis of unlisted equity shares has been ignored being not material.

** This has been redeemed during the previou year

Valuation process

The Group involves independent valuer to carry out the valuation of the investments, required for financial reporting purposes, including level 3 fair values. The main level 3 inputs for unlisted preference shares used by the Group are derived and evaluated as follows:

- Risk adjusted discount rates are estimated based on expected cash inflows arising from the instrument and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and 3 fair values are analysed at the end of each reporting year.

46. Financial instruments – Fair values and risk management (Contd.)

C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other non current financial assets	13.55	13.55	15.05	15.05
Trade receivables	345.00	345.00	344.26	344.26
Cash and cash equivalents	11.92	11.92	2.88	2.88
Bank balances other than cash and cash equivalents	7.51	7.51	2.94	2.94
Other current financial assets	51.62	51.62	94.77	94.77
	429.60	**429.60**	**459.90**	**459.90**
Financial liabilities				
Borrowings	324.66	324.66	275.41	275.41
Lease liabilities	2.71	2.71	2.23	2.23
Other non-current financial liabilities	6.52	6.52	6.68	6.68
Short term borrowings	551.31	551.31	568.83	568.83
Trade payables	164.22	164.22	155.92	155.92
Other current financial liabilities	56.85	56.85	57.37	57.37
	1,106.27	**1,106.27**	**1,066.44**	**1,066.44**

Cash and cash equivalents and other bank balances

The Group held cash and cash equivalents and other bank balances of Rs 19.43 Crores at 31 March 2025 (31 March 2024: Rs.5.82 Crores). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties, which are rated A1, based on India ratings. Impairment on cash and cash equivalents and other bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. There is no impairment allowance at 31 March 2025 and 31 March 2024.

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated A1, based on India ratings

II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk and
- Market risk

i. Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined risk management framework.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

46. Financial instruments – Fair values and risk management (Contd.)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group's management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes market check, industry feedback, past financials and external ratings, if such information is available, and in some cases bank references. Credit limits are established for each customer and reviewed quarterly. Any Credit limit exceeding those limits require approval from the chief financial officer of the Group.

To monitor customer credit risk, customers are reviewed in terms of their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

During the year, the Group has made write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Group management also pursue all legal options for recovery of dues wherever necessary based on its internal assessment

Reconciliation of loss allowance provision – trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	(7.01)	(4.79)
Less: Provision for doubtful debts written back	-	-
Add: Provision for doubtful debts made	(3.73)	(2.46)
Bad debts	0.70	0.24
Balance at the end of the year	**(10.04)**	**(7.01)**

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when

(All amounts are in Rupees Crore, unless otherwise stated)

46. Financial instruments – Fair values and risk management (Contd.)

liabilities are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Group's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The Group had access to the following undrawn borrowing facilities as at reporting date:

Particulars	As at 31 March 2025	As at 31 March 2024
Floating rate		
Expiring within one year (credit limit and other facilities)	46.76	59.69
Expiring within one year (Term loans)	60.00	140.00
	106.76	**199.69**

The credit limit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rupees and have an average maturity of 2 Years 7 Months as at 31 March 2025 (31 March 2024 - 3 years and 0 months).

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts	Contractual cash flows			
		Total	Less than 12 Months	1–5 years	More than 5 years
As at 31 March 2025					
Non-derivative financial liabilities					
Borrowings	324.66	324.66	-	311.36	13.30
Lease liabilities	2.71	2.71	0.78	1.42	0.51
Other non-current financial liabilities	6.52	6.52	-	0.03	6.49
Short term borrowings	551.31	551.31	551.31	-	-
Trade payables	164.22	164.22	164.22	-	-
Other current financial liabilities	56.85	56.85	56.85	-	-
Total financial liabilities	**1,106.27**	**1,106.27**	**773.16**	**312.81**	**20.30**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

46. Financial instruments – Fair values and risk management (Contd.)

Particulars	Carrying Amounts	Contractual cash flows			
		Total	Less than 12 Months	1–5 years	More than 5 years
As at 31 March 2024					
Non-derivative financial liabilities					
Borrowings	275.41	275.41	-	262.08	13.33
Lease liabilities	2.23	2.23	1.01	0.71	0.51
Other non-current financial liabilities	6.68	6.68	-	0.03	6.65
Short term borrowings	568.83	568.83	568.83	-	-
Trade payables	155.92	155.92	155.92	-	-
Other current financial liabilities	57.37	57.37	57.37	-	-
Total financial liabilities	**1,066.44**	**1,066.44**	**783.13**	**262.82**	**20.49**

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group uses derivatives like forward contracts to manage market risks on account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out as per guidelines of the Management.

a. Currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD , EUR, CHF and GBP . Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (Rupees). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rupees cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Group also consults external experts for their views on the currency rates in volatile foreign exchange markets.

Currency risks related to payables and receivables denominated in foreign currencies have been partially hedged using forward contracts taken by the Group.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates whenever, necessary, to address short-term imbalances.

46. Financial instruments – Fair values and risk management (Contd.)

(i) Exposure to currency risk

The quantitative data about the Group's exposure to currency risk as reported by the management of the Group is as follows:

Amt in crores

Particulars	USD	EUR	GBP	CHF
31 March 2025				
Financial assets/ liabilities				
Trade receivables	2.90	-	-	-
Foreign currency working capital borrowings	(2.05)	-	-	-
Trade payables	(0.11)	(0.00)	0.00	-
Net statement of financial position exposure	**0.75**	**(0.00)**	**0.00**	**-**

Particulars	USD	EUR	GBP	CHF
31 March 2024				
Financial assets/liabilities				
Trade receivables	3.09	-	0.00	-
Foreign currency working capital borrowings	(2.53)	-	-	-
Trade Payables	(0.08)	(0.00)	-	-
Net statement of financial position exposure	**0.48**	**(0.00)**	**0.00**	**-**

(ii) Unhedged foreign currency exposure

Particulars	USD	EUR	GBP	CHF
31 March 2025				
Financial assets/ liabilities				
Trade receivables	-	-	-	-
Foreign currency working capital borrowings	(2.05)	-	-	-
Trade payables	(0.11)	-	0.00	-
Net statement of financial position exposure	**(2.15)**	**-**	**0.00**	**-**

Particulars	USD	EUR	GBP	CHF
31 March 2024				
Financial assets/ liabilities				
Trade receivables	-	-	-	-
Foreign currency working capital borrowings	(2.53)	-	-	-
Trade payables	(0.08)	-	-	-
Net statement of financial position exposure	**(2.61)**	**-**	**-**	**-**

Note -The total amount in absolute value is less than 100,000, but for reporting purpose rounded up to Rs. 0.0 Crores

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

46. Financial instruments – Fair values and risk management (Contd.)

(iii) Derivative Instruments

Particulars	USD	EUR	GBP
31 March 2025			
Forward contract for export trade receivables outstanding	1.92	0.06	-
31 March 2024			
Forward contract for export trade receivables outstanding	2.45	-	-

The following significant exchange rates have been applied

Currency	Average Rates		Year end spot rates	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
USD 1	84.80	82.85	85.58	82.92
EUR 1	91.51	89.82	92.40	89.98
GBP 1	108.77	104.03	110.82	105.02
CHF 1	95.57	93.46	97.01	94.44

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rupees (Rs.) against foreign currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Currency	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2025*				
USD (10% movement)	0.08	(0.08)	0.05	(0.05)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	0.00	(0.00)	-	-
CHF (10% movement)	-	-	-	-
31 March 2024*				
USD (10% movement)	0.05	(0.05)	0.03	(0.03)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	0.00	(0.00)	-	-
CHF (10% movement)	-	-	-	-
JPY (10% movement)	-	-	-	-

* amount 0.00 represents rounded off amount in Crores which are less than Rs. 1,00,000 in absolute value terms

46. Financial instruments – Fair values and risk management (Contd.)

b. Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. During financial year 2024-25 and financial year 2023-24, the Group's borrowings at variable rates were denominated in Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	Nominal Amount	
	31 March 2025	31 March 2024
Fixed-rate instruments		
Financial assets	-	-
Fixed deposits with Banks	7.18	2.37
Financial liabilities	-	-
	7.18	**2.37**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	875.97	844.24
	875.97	**844.24**

* amount 0.00 represents rounded off amount in Crores which are less than Rs. 1,00,000 in absolute value terms

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
31 March 2025				
Variable-rate instruments	(4.38)	4.38	(2.85)	2.85
Cash flow sensitivity	(4.38)	4.38	(2.85)	2.85
31 March 2024				
Variable-rate instruments	(4.22)	4.22	(2.75)	2.75
Cash flow sensitivity	**(4.22)**	**4.22**	**(2.75)**	**2.75**

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

46. Financial instruments – Fair values and risk management (Contd.)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

c. **Commodity price risks**

The Group is exposed to the risk of price fluctuations of raw materials, dyes and chemicals, work-in-progress and finished goods. The Group manages its commodity price risk by maintaining adequate inventory of raw materials, dyes and chemicals, work in progress and finished goods considering anticipating movement in prices. To counter raw materials risk, the Group works with varieties of fibres (natural and manmade) with the objective to moderate raw material cost, enhance application flexibility and increase product functionality and also invested product development and innovation.

Inventory sensitivity analysis (raw materials, dyes and chemicals, work in progress and finished goods)

A reasonably possible change of 10% in prices of inventory at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Inventories (raw materials, dyes and chemicals, work in progress and finished goods)	Profit or loss		Equity, net of tax	
	10 % increase	10 % decrease	10 % increase	10 % decrease
31 March 2025	47.84	(47.84)	31.28	(31.28)
31 March 2024	47.05	(47.05)	30.77	(30.77)

47 In respect of Okara Mills, Pakistan, (which remained with the Group as a result of transfer of textiles division of Sutlej Industries Limited with the Group) no returns have been received after 31 March 1965. Against net assets, amounting to Rs 2.32 of Okara Mills, Pakistan, the demerged /transferor Group received adhoc compensation of Rs. 0.25 from Government of India in the year 1972-73. These assets now vest with the Custodian of Enemy Property, Pakistan for which claim has been filed with the Custodian of Enemy Property in India. The Group shall continue to pursue its claim for compensation/ restoration of assets. Hence, further compensation, if any received, will be recorded in the year of receipt. In the financial year 2003-04, net assets of Rs. 2.07 (net of compensation received) as at 31 March 1965 were valued at pre-devaluation exchange rate, has been provided for.

48. Disclosure u/s 186(4) of the Companies Act, 2013 :

Particulars of investments made:

Particulars	As at 31 March 2025	As at 31 March 2024
Investment in 8.5% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) fully paid in M/s Palash Securities Limited (Refer Note 10)		
Fair value gain recognised during the year	-	0.06
Redeemed during the year	-	(1.30)
Balance outstanding as at reporting date	-	-

(All amounts are in Rupees Crore, unless otherwise stated)

49. Capital management

The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility. The Board of directors regularly review the Group's capital structure in light of the economic conditions, business strategies and future commitments. For the purpose of the Group's capital management, capital includes issued share capital and all other equity reserves. Debt includes short term and long term borrowings. During the financial year ended 31 March 2025, no significant changes were made in the objectives, policies or processes relating to the management of the Group's capital structure.

(i) Debt equity ratio:

Particulars	As at 31 March 2025	As at 31 March 2024
Net debt*	856.54	838.42
Total debt (A)	**856.54**	**838.42**
Equity share capital	16.38	16.38
Other equity	878.41	944.72
Total equity (B)	**894.79**	**961.10**
Debt equity ratio (C=A/B)	**0.96**	**0.87**

*The Group includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

(ii) Return on equity

Particulars	As at 31 March 2025	As at 31 March 2024
Profit for the year	(68.40)	(135.56)
Equity share capital	16.38	16.38
Other equity	878.41	944.72
Total equity	**894.79**	**961.10**
Return on equity ratio (%)	**-7.64%**	**-14.10%**

(iii) The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 8.20 % (31 March 2024: 7.96%).

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

50. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries.

Name of the enterprise	Net assets i.e. total assets - total liabilities share		Share in profit or loss for the year	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
31 March 2025				
1. Holding Company	97.60	873.35	90.16	(61.67)
2. Foreign subsidiary Company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC)	2.40	21.44	9.84	(6.73)
	100.00	**894.79**	**100.00**	**(68.40)**

Name of the enterprise	Net assets i.e. total assets - total liabilities share		Share in profit or loss for the year	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
31 March 2024				
1. Holding Company	100.00	961.09	91.55	(124.10)
2. Foreign subsidiary Company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC)	0.00	0.01	8.45	(11.46)
	100.00	**961.10**	**100.00**	**(135.56)**

Name of the enterprise	Other comprehensive income for the year		Total comprehensive income for the year	
	As % of consolidated other comprehensive income for the year	Amount	As % of consolidated total comprehensive income for the year	Amount
31 March 2025				
1. Holding Company	106.22	2.22	89.65	(59.45)
2 Foreign subsidiary Company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC)	(6.22)	(0.13)	10.35	(6.86)
	100.00	**2.09**	**100.00**	**(66.31)**

Name of the enterprise	Other comprehensive income for the year		Total comprehensive income for the year	
	As % of consolidated other comprehensive income for the year	Amount	As % of consolidated total comprehensive income for the year	Amount
31 March 2024				
1. Holding Company	97.33	3.54	91.39	(120.56)
2 Foreign subsidiary Company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC)	2.67	0.10	8.61	(11.36)
	100.00	**3.64**	**100.00**	**(131.92)**

51 At each reporting date, the Group evaluate whether there is objective evidence that the property, plant and machinery of the Cash generating unit "CGU" is impaired in terms of IND AS – 36 "Impairment of Assets". If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognized in the financial statement of the Group.

Due to rising input expenses, competitive pressures, and challenging market conditions, particularly in the upholstery and curtains segment, the Damanganga unit ("CGU") has experienced significant losses over recent years. However, in the current year, the unit managed to reduce lossses signifcantly through the implementation of cost-effective measures and a favourable shift in the market dynamics of the upholstery and curtains sector. Despite this improvement, the unit still incurred a cash loss primarily attributable to elevated interest expenses resulting from debt taken against previous cash losses and an increase in repo rates.

Consequently, the Group conducted an impairment assessment of the aforementioned CGU utilizing the fair value less cost to sell model. This model relies on the replacement value of plant and machinery, as well as the market value of land and building assets. The fair valuation process incorporates various assumptions reflecting prevailing market conditions. Additionally, Last year the Group engaged an independent valuer to conduct a thorough assessment of the fair value of the property, plant, and equipment associated with the CGU.

Some of the key assumptions used by the Valuer for determining the fair value for significant assets are as follows:

(a) Land Valuation :

(i) Transacted / quoted values for similar properties sold in the subject micro-market;

(ii) Adjustment of achievable transaction value based on site specific physical parameters such as location, accessibility, size, zoning, physical attributes, profile of surrounding developments, etc.

(b) Building Valuation:

The value of the built up structure on the subject property has been assessed by the 'Depreciated Replacement Cost' method, where the current replacement cost of the structure (given the current condition of the property) has been evaluated after giving due regards to physical parameters such as construction, specifications, completion status of the building, renovations carried out in the structures and the same has been depreciated based on parameters such as age, remaining useful life, etc. of the structure.

(c) Plant and Machinery and other Equipment's valuation

Total economic life for machineries under various categories have been considered on the basis of regulations prescribed under Schedule II of Indian Companies Act, 2013. Further, a salvage value of 2-5% on the replacement cost, as of date of assessment, of plant and machinery and other equipment has been considered. Quotes for similar or Identical machineries from the same or other manufacturer/ suppliers that are available in the market is also considered. In addition, other applicable direct & indirect cost prevalent in the current market conditions has been factored to arrive at the current Replacement Cost New (RCN) for the machineries at the site. Further, indexing method has also been used to assess RCN for a few machineries.

In addition to the above, in perspective and considering the prevailing trends, a marketing and transaction cost in the range of 5-10% has been considered for the subject assets while assessing the fair value.

Technological obsolescence to an extent of 5-10% has considered for the machineries installed during the period 1999 -2015 . Further, functional obsolescence to the extent of 10-15% has also considered.

Based on all the above factors, as per the final report issued by the Valuer, the fair value of the CGU is higher than its carrying value and hence the Group has concluded that no impairment provision needs to be recorded in the financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

52. Regulatory information's :

(i) The Group does not have any benami property where any proceedings have been initiated or pending against the Group for holding such benami property.

(ii) The Group does not have any transactions with companies that have been struck off.

(iii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Group does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(v) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

(vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(viii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(ix) The Group does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(x) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has two Core Investment Company ("CIC") as part of the Group i.e. Ganges Securities Limited and New India Retailing & Investment Ltd (unregistered CIC).

(xi) The Group has compiled with the number of layers prescribed under the companies Act 2013

(xii) The Group has not declared wilful defaulter by any bank or financial institution or Government or any Government authority.

53. The HoldingCompany has used accounting software for maintaining its books of account, which has the feature of recording audit trail (edit log) facility, and the same has been operational throughout the year for all relevant transactions recorded in the respective software, except in respect of payroll processing for workers, the previously used software had limitations in validating audit trail configurations at both the application and database levels. To address this, the Holding Company implemented a new payroll software solution and parallel run was conducted during the period January 2025 to March 2025, and the system has gone live effective 1st April 2025. The new system is configured to be fully compliant with the audit trail requirements under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(All amounts are in Rupees Crore, unless otherwise stated)

54. Ratio Analysis and its elements

Particulars		As at 31 March 2025	As at 31 March 2024
(i)	**Debt equity ratio:**		
	Net debt*	856.54	838.42
	Total debt (A)	**856.54**	**838.42**
	Equity share capital	16.38	16.38
	Other equity	878.41	944.72
	Total equity (B)	**894.79**	**961.10**
	Debt equity ratio (C=A/B)	**0.96**	**0.87**
	Change during the year in %	**10%**	

*The Group includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

Particulars		As at 31 March 2025	As at 31 March 2024
(ii)	**Return on equity**		
	Profit for the year	(68.40)	(135.56)
	Equity share capital	16.38	16.38
	Other equity	878.41	944.72
	Total equity	**894.79**	**961.10**
	Return on equity ratio (%)	**-7.64%**	**-14.10%**
	Change during the year in %	**-46%**	

Reason for variance - Variance in ratio is due to decrease in loss in current year.

Particulars		As at 31 March 2025	As at 31 March 2024
(iii)	**Current ratio**		
	Current assets (A)	988.79	1007.86
	Current liabilities (B)	809.35	815.72
	Current ratio (C=A/B)	**1.22**	**1.24**
	Change during the year in %	**-1%**	

Particulars		As at 31 March 2025	As at 31 March 2024
(iv)	**Inventory turnover**		
	Inventories	524.54	517.78
	Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods	1,549.26	1,704.90
	Inventory turnover (days)	**124**	**111**
	Inventory turnover ratio	**2.95**	**3.29**
	Change during the year in %	**-10%**	

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(All amounts are in Rupees Crore, unless otherwise stated)

54. Ratio Analysis and its elements (Contd.)

Particulars		As at 31 March 2025	As at 31 March 2024
(v)	**Trade receivable turnover ratio**		
	Trade receivable	345.00	344.26
	Revenue from operations	2,676.76	2,703.20
	Other operating revenue	52.09	50.45
	Trade receivable Turnover (days)	**48**	**47**
	Trade receivable turnover ratio	**7.61**	**7.71**
	Change during the year in %	**-1%**	

Particulars		As at 31 March 2025	As at 31 March 2024
(vi)	**Net profit ratio**		
	Profit for the year	(68.40)	(135.56)
	Revenue from Operations	2,676.76	2,703.20
	Net profit ratio	**(2.56)**	**(5.01)**
	Change during the year in %	**-49%**	

Reason for variance - Variance in ratio is due to decrease in loss in current year as comapred to previous year.

Particulars		As at 31 March 2025	As at 31 March 2024
(vii)	**Return (PBIDT) to Capital Employed**		
	Profit before finance cost, depreciation and tax expenses (PBIDT) (before exceptional item) (A)	**64.63**	**(13.11)**
	Equity Share Capital	16.38	16.38
	Reserves and Surplus	878.41	944.72
	Long Term Borrowing	324.66	275.41
	Short Term Borrowing	418.24	469.11
	Current maturities of long-term debts	129.20	95.96
	Capital Employed (B)	**1,766.89**	**1,801.58**
	Return (PBIDT) to Capital Employed % (C=A/B)	**3.66%**	**-0.73%**
	Change during the year in %	**-603%**	

Reason for variance - Variance in ratio is due to operating profit during the year as compared to operating loss in previous year.

(All amounts are in Rupees Crore, unless otherwise stated)

54. Ratio Analysis and its elements (Contd.)

Particulars		As at 31 March 2025	As at 31 March 2024
(viii)	**Debt Service Coverage Ratio**		
	Profit for the year (before exceptional items)	(68.40)	(127.11)
	Finance costs	63.42	65.03
	Depreciation and amortization expense	111.21	117.04
	Deferred tax	(41.60)	(68.79)
	Earning for debt service (A)	**64.63**	**(13.83)**
	Interest + Instalments due in respective year (B)	**192.62**	**160.99**
	Debt Service Coverage ratio (C=A/B)	**0.34**	**(0.09)**
	Change during the year in %	**-491%**	

Reason for variance - Variance in ratio is due to operating profit during the year as compared to operating loss in previous year.

Particulars		As at 31st March, 2024	As at 31st March, 2023
(ix)	**Trade payables turnover ratio (in times)**		
	Cost of materials consumed	1,491.14	1,440.42
	Purchase of stock-in-trade	73.09	83.40
	Add: Closing stock	241.09	249.73
	Less: Opening stock	(249.73)	(307.74)
	Other expenses	640.02	618.85
	Total (A)	**2,195.61**	**2,084.66**
	Average trade payables (B)	**160.07**	**149.75**
	Trade payables turnover ratio (C=A/B)	**13.72**	**13.92**
	Change during the year in %	**-1%**	

Particulars		As at 31st March, 2024	As at 31st March, 2023
(x)	**Net Capital Turnover Ratios**		
	Revenue from operations	2,676.76	2,703.20
	Total equity	894.79	961.10
	Net Capital Turnover Ratio	**2.99**	**2.81**
	Change during the year in %	**6%**	

Notes to the Consolidated Financial Statements for the year ended 31 March 2025
(All amounts are in Rupees Crore, unless otherwise stated)

54. Ratio Analysis and its elements (Contd.)

Particulars		As at 31 March 2025	As at 31 March 2024
(xi)	**Return on Investment**		
	Income generated from investments	0.26	1.39
	Total Investments (refer note 5,10 and 13)	7.18	2.37
	Return on Investment	**3.62%**	**58.65%**
	Change during the year in %	**-94%**	

Reason for variance - Higher return in previous year mainly due to the Company has earned dividend income on redemption of preference share.

Additional Regulatory Information

Ratio	Numerator	Denominator
Debt equity ratio	Debt consists of borrowings net of Cash and cash equivalents and Banks balances.	Total equity
Return on equity	Profit for the year	Total equity
Current ratio	Total current assets	Total current liabilities
Inventory turnover	Inventories	Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods
Trade receivable turnover ratio	Revenue from operations less export incentive	Total Trade receivable
Net profit ratio	Profit for the year	Revenue from operations
Return (PBIDT) to Capital Employed	Profit before finance cost, depreciation and tax expenses	Capital employed =Net worth+ Borrowings
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest payments + Principal repayments
Trade payables turnover ratio (in times)	Cost of materials consumed+Purchase of stock-in-trade+Closing stock+Other expenses-Opening stock\	Average trade payables
Net Capital Turnover Ratios	Revenue from operations	Total equity
Return on Investment	Income generate from investments	Total Investments

Signatures to Notes 1 to 54

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Shashank Agarwal
Partner
Membership No : 095109

Place : Mumbai
Date: 09 May 2025

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot
Director
DIN : 00016856

Place : Mumbai
Date: 09 May 2025

C. S. Nopany
Executive Chairman
DIN : 00014587

Place : Mumbai
Date: 09 May 2025

Ashish Kumar Srivastava
Wholetime Director and CEO
DIN : 06527942

Place: Mumbai
Date: 09 May 2025

Rajib Mukhopadhyay
Chief Financial Officer
M.No. : 058123

Place: Mumbai
Date: 09 May 2025

Manoj Contractor
Company Secretary
M.No. : A11661

Place: Mumbai
Date: 09 May 2025

FORM NO. AOC - 1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(in Rs.)

Sr. No.	Particulars	Sutlej Holdings, Inc.	American Silk Mills, LLC.
1.	Reporting Period	FY 2024-2025	FY 2024-2025
2.	Reporting Currency	INR	INR
3.	Exchange Rate	85.58	85.58
4.	Share Capital	79,59,93,381	54,21,42,894
5.	Reserves and Surplus	-50,38,36,075	-68,15,20,943
6.	Total Assets	36,25,98,703	29,70,58,233
7.	Total Liabilities	7,04,41,397	43,64,36,282
8.	Investments	-	-
9.	Turnover	-	36,98,79,752
10.	Profit / (Loss) before Taxation	1,58,83,851	-8,31,34,939
11.	Exceptional item (see Note - 1)	-22,70,00,000	0
12.	Tax (expense) / reversal	77,466	0
13.	Profit & Loss after Taxation	-21,10,38,683	-8,31,34,939
14.	Proposed Dividend	-	-
15.	% of Shareholding	100%	100%

Note: Sutlej Holdings, Inc. is the subsidiary of the Company and American Silk Mills, LLC. is the step-down subsidiary of the Company.

Note - 1:

Sutlej Holdings, Inc. has carried out an impairment assessment as of 31st March, 2025, in respect of the investment in and loan extended to its wholly owned subsidiary, American Silk Mills, LLC. An independent valuation expert was engaged to determine the recoverable amount in accordance with Ind AS 36. Based on the assessment, the carrying amount of the investment and loan was found to exceed the recoverable amount, and accordingly, an impairment loss of Rs. 2,270.00 lakhs (31st March, 2024: Rs. 1,051.00 lakhs) has been recognised for the year ended 31st March, 2025.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures :

The Company does not have any Associates and Joint Venture Company.

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rohit Dhoot	C. S. Nopany	Ashishkumar Srivastava	Rajib Mukhopadhyay	Manoj Contractor
Director	*Executive Chairman*	*Wholetime Director and CEO*	*Chief Financial Officer*	*Company Secretary*
DIN: 00016856	DIN: 00014587	DIN: 06527942	M.No.:058123	M. No. A11661
Place: Mumbai	Place: Mumbai	Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 09 May 2025	Date: 09 May 2025	Date: 09 May 2025	Date: 09 May 2025	Date: 09 May 2025

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info@trisyscom.com

sutlej
textiles and industries limited

SUTLEJ TEXTILES AND INDUSTRIES LIMITED