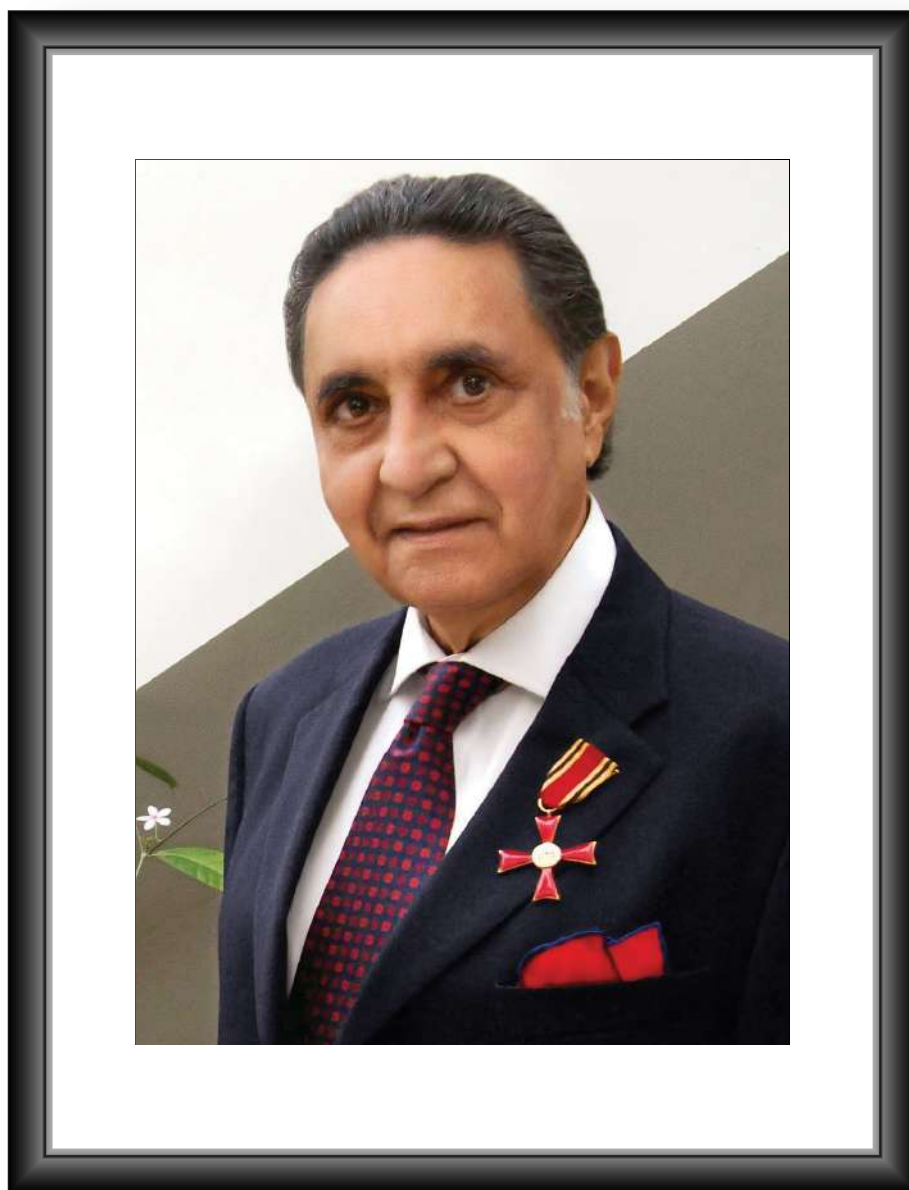


ZODIAC CLOTHING COMPANY LTD.
42nd ANNUAL REPORT 2025-2026



Mohamed Yusuf Noorani

24.05.1930 – 20.11.2019

Founder Chairman Zodiac Clothing Co. Ltd.



Mr. Anees Yusuf Noorani

11.12.1950 - 29.07.2025

Chairman, Zodiac Clothing Co. Ltd.

REGISTERED OFFICE

Nyloc House, 254,
D-2, Dr. Annie Besant Road,
Worli, Mumbai - 400 030
Tel : 022-66677000
Fax : 022-66677279

CHIEF FINANCIAL OFFICER

Mr. B. Mahabala

COMPANY SECRETARY

Mr. Kumar Iyer

STATUTORY AUDITORS

MSKA & Associates LLP
602, Floor 6, Raheja Titanium
Western Express Highway,
Geetanjali Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai- 400063, India

SECRETARIAL AUDITORS

Robert Pavrey & Associates LLP
4/8, Santacruz Mansions, 2nd Floor,
Santacruz (E), Mumbai- 400055, India

FACTORIES

- Yelahanka,
Bangalore - 560 063.
- Koramangala,
Bangalore - 560 099.
- Bommasandra
Bangalore - 560 099
- A-1, 181 / 1, GIDC, Umbergaon,
Valsad, Gujarat - 396 171.
- C-2 / 7, GIDC Industrial Area, Umbergaon,
Valsad, Gujarat - 396 171.
- Plot No. 411, GIDC, Umbergaon,
Valsad, Gujarat - 396 171

SOLICITORS

AZB & Partners
AZB House, Peninsula Corporate Park,
Lower Parel, Mumbai - 400 013

REGISTRAR & TRANSFER AGENTS OFFICE

KFin Technologies Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda, Serilingampally
Mandal, Hyderabad- 500 032, Telangana
Email id: einward.ris@kfintech.com
Toll Free Number: 1-800-309-4001
Website: www.kfintech.com

BANKERS

HDFC Bank Limited
Trade World, A Wing,
Kamala Mills Compound,
Lower Parel, Mumbai - 400 013

RBL Bank Limited
One Indiabulls Centre,
Tower 2B, 6th Floor,
841, Senapati Bapat Marg,
Lower Parel West, Mumbai – 400 013

Bank of Maharashtra
Apeejay House,
D V Gandhi Marg,
Fort Mumbai - 400 001

ICICI Bank Limited
Nyloc House, 254,
D-2, Dr. Annie Besant Road,
Worli, Mumbai - 400 030

SUBSIDIARIES

- Zodiac Clothing Co. S.A.
- Zodiac Clothing Co. (U.A.E.) LLC
- Zodiac Clothing Bangladesh Limited
- Zodiac Clothing Company INC, USA
- Zela Technologies INC, Delaware, USA
- Zodiac Clothing Co. Pvt. Ltd., UK

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B O A R D O F D I R E C T O R S

A S O N 3 1 ST M A R C H 2 0 2 6

Mr. Salman Yusuf Noorani

Chairman & Managing Director

Mr. Vaman M Apte

Mr. Subramaniam R Iyer

Mr. Dilip Thakkar

Dr. Naushad Forbes

Ms. Djena Sunavala

Amb. Ahmad Javed

Mr. Musaed Noorani

Mr. Awais Noorani

Executive Director - Exports

Mr. Adnan Noorani

Executive Director - Digital

DIRECTORS' BIOGRAPHIES



Mr. Salman Yusuf Noorani

Chairman & Managing Director

Mr. S. Y. Noorani joined the House of Zodiac in 1982, and became Jt Managing Director in the year 1994, Vice Chairman from February 2020 to January 2026, and Chairman from February 2026. He was responsible for setting up the company's state-of-the-art of manufacturing facilities and international marketing operations in London, Dusseldorf and New York, and expanding the retail business of the company. He oversees the management of the Company and leads a dynamic team of professionals in the running of the Company ranging from design and manufacturing to sales and marketing which has successfully launched the brand ZOD! and Z3 in the Indian market. Mr. S. Y. Noorani has also served on the Managing Committees of Indo-Italian Chamber of Commerce as well as Clothing Manufacturers Association of India, and was a member of the National Council of CII & Co-Chairman of Apparel Committee of CII.



Mr. V. M. Apte

Director

Mr. Vaman Apte hails from a family with historic ties to the textile business as owners of several textile mills in India. Growing up in the textile business, he has a rich and varied business experience. He is presently the Chairman of Dr. Writers Food Products Pvt. Ltd., & consultant at Plastocrafts Industries Pvt. Ltd. He received his Bachelor's degree in Arts from Ruia College. He has also been avidly involved in competitive sports as captain of teams in cricket and squash, winning several national awards. He was a former member of the Managing Committee of Willingdon Sports Club, executive committee member of the Cricket Club of India, executive Committee Member Squash Rackets Federation of India and Chairman of Squash Rackets Association of Maharashtra.



Mr. Subramaniam R. Iyer

Director

Mr. S.R. Iyer has a vast knowledge and rich experience in banking as the former Managing Director of the State Bank of India and also the Managing Director of State Bank of Mysore. He was also the former Chairman of the Credit Information Bureau (India) Ltd., Director of the National Stock Exchange of India Ltd., & GE Capital Business Process Management Services Pvt. Ltd. He is presently Chairman of Waterfield Advisors Pvt. Ltd., Waterfield Financial and Investment Advisors Pvt. Ltd., Infrastructure Finance Credit Committee of Aditya Birla Finance Ltd and a Director of P N Writer and Company Pvt. Ltd, Writer Lifestyle Pvt. Ltd, Writer Safeguard Pvt. Ltd, Writer Business Services Pvt. Ltd.



Dr. Naushad Forbes

Director

Dr. Naushad Forbes is the Co-Chairman of Forbes Marshall, India's leading Steam Engineering and Control Instrumentation firm and chairs the Steam Engineering Companies within the group. Completing his Bachelors, Masters and PhD Degrees in engineering from Stanford University, he was a Consulting Professor there from 1987 to 2004, where he developed and taught courses on Technology in Newly Industrializing Countries. He has since long been an active member of CII and was its president for 2016-17. Additionally, he has at various times chaired the National Committees on Higher Education, Innovation, Technology, and International Business. He is presently, Chairman of the Center for Technology Innovation and Economic Research in Pune, and is currently a Director on the Board of Ctier Impact Forum, Ralson Tyres Ltd., CSEP Research Foundation, Nayanta Education Foundation, Singapore-India Partnership Foundation (India), Bajaj Holdings & Investment Ltd., Bajaj Finserv Ltd., Bajaj Finance Ltd., Bajaj Auto Ltd., Pidilite Industries Ltd., and the various companies of the Forbes Marshall Group.

DIRECTORS' BIOGRAPHIES



Mr. Dilip J. Thakkar

Director

Mr. Dilip J. Thakkar is an eminent Chartered Accountant and has over 63 years of experience in Finance and Corporate matters. He specializes in the Foreign Exchange Management Act, and advises overseas corporations and large Indian Companies on Investments, taxation and collaboration. He was a past President of Bombay Chartered Accountants Society. He also serves as the Director of in Essar Bulk Terminal (Salaya) Limited, Black Box Limited, Premier Limited, Pudumjee Paper Products Limited, Salaya Bulk Terminals Limited, Universal Trustees Private Limited, Maribel Custodian Services Private Limited and Hamlet Constructions (India) Private Limited. Further, he is also a Designated Partner of Jayantilal D Thakkar & Associates LLP and Jayantilal D Thakkar & Co LLP.



Amb. Ahmad Javed

Director

Ambassador Ahmad Javed is a highly distinguished and decorated IPS officer of the 1980 batch, Maharashtra Cadre, and a seasoned diplomat. An alumni of the prestigious St. Stephen's College, New Delhi, he has dedicated almost four decades to law enforcement and public service for India. He has served as Joint Commissioner of Police (Law & Order) Mumbai, Commissioner of Police Solapur City, as well as Commissioner of Police Navi Mumbai. He retired as DGP Maharashtra - Commissioner of Police, Mumbai. He then moved on to diplomatic service as the Ambassador of India to Saudi Arabia from 2016 to 2019. Ambassador Ahmad's experience spans maintenance of law and order, crisis handling and management, administration and human resources, international relations, strategy and policy formulation, and conflict resolution. He has been honoured with the Police Medal for Meritorious Service, and the Director General's Insignia. He shares his vast experience as an Advisor and Independent Director on the Board of several organizations..



Ms. Djena Sunavala

Director

Ms. Djena Sunavala has over thirty years of experience as a practicing attorney in Mumbai. She is presently a Managing Partner at Aurus Legal, Advocates & Solicitors, where she leads the real estate practice. In the financial sector, Ms. Djena Sunavala has represented domestic and global financial services groups for setting-up, investing in and exiting from India mutual funds and life insurance companies.



Mr. Awais Noorani

Director

Mr. Awais Noorani is a seasoned professional with over 30 years of specialized experience in the clothing industry. After graduating from Sydenham College, Mumbai with a Bachelor of Commerce (B. Com) degree he joined Zodiac in 1993. Working his way through fabric sourcing, manufacturing and sales, he went onto leading its international sales. In 2006 he went on to further his education with a degree in General Management (PED) and an MBA from the prestigious International Institute for Management Development (IMD) in Lausanne, Switzerland. With his experience in clothing and textiles, global markets, and business development, Mr. Awais has been driving the expansion of the company in the key markets of North America & the European Union in the highly competitive international clothing sector. Consequently, his efforts over the years have seen Zodiac strengthening its presence across these global markets. Currently, Mr. Awais is focused on, and oversees the company's international clothing business operations from design, to manufacturing and sales, and leads a team of seasoned professionals across India, Bangladesh, Europe and North America.

**Mr. Adnan Noorani**

Director

Mr. Adnan Noorani is a Bachelor of Science from Carnegie Mellon University USA, with a double Major in Business Administration and Statistics, after which he worked for five years in E-commerce technology and Ad Tech in the USA. Beginning his career at a technology driven D2C E-commerce start-up in California, he built and managed a multi-country team of engineers, data scientists, and project managers, delivering machine learning and other software that helped the startup scale its business rapidly. His last assignment was at Walmart Connect in Silicon Valley where as one of the youngest Senior Managers - Product Management he led ML-based contextual targeting and campaign optimization for retail from ideation, development, and final go-to-market. While at Silicon Valley, Adnan was a board member of the CMU Tech & Entrepreneurship alumni and co-lead of its Founders Community. Joining Zodiac in April 2024, and using his skill and experience in ML and technology, he is focused on scaling its branded business in India, through its own D2C E-commerce platform and its retail stores.

**Mr. Musaed Noorani**

Director

Mr. Musaed Noorani has over two decades of experience in private equity, management consulting and capital markets, with expertise in capital allocation, transaction structuring, corporate strategy and business transformation. He was most recently a member of the investment team at the Tata Opportunities Fund, a US\$600 million private equity fund sponsored by the Tata Group. During his career, he has also held positions with the Monitor Group, Credit Suisse and ABN AMRO and he also served as a Director of Roots Corporation Limited, a Tata Group company that owns and manages Ginger Hotels. He holds a Post-Graduate Diploma in Management, specialising in Finance and Strategy, from the Indian School of Business, Hyderabad.

CHAIRMAN'S STATEMENT



FY 2025–26 was a year marked by a complex and evolving operating environment. Persistent headwinds, shifting consumer preferences, changing rural–urban dynamics, geopolitical uncertainties and broader macroeconomic pressures tested businesses across sectors and called for resilience, agility and adaptability. The global economy is undergoing a structural reset, with heightened volatility and diminishing certainty becoming defining features of the current environment. Prolonged uncertainty arising from the West Asia crisis has placed significant pressure on economic activity, energy security, trade and travel, while the intensifying effects of climate change are compelling businesses and economies to rethink conventional approaches to growth, resilience and competitiveness.

The introduction of country-specific reciprocal tariffs by the United States has further altered the global trade landscape, creating uneven duty burdens across key apparel-exporting nations and accelerating shifts in sourcing and trade flows across Asia, South Asia and alternative sourcing destinations. These developments reinforce the reality that global volatility is no longer sporadic; it has become increasingly systemic. The world is navigating an environment defined by turbulence, uncertainty and rapid change, necessitating

innovative strategies to strengthen competitiveness and build a more resilient future.

At the same time, global progress is being challenged by the intensifying climate emergency, widening inequality and the rapid advancement of disruptive technologies such as Artificial Intelligence. Decades of hyper-globalisation are giving way to a more ragmented and multipolar world—one that remains deeply interconnected, yet increasingly less trusting; continues to trade, yet faces the growing weaponisation of supply

chains; and remains global, while witnessing a resurgence of national priorities and economic nationalism. These tectonic shifts are being felt through volatile commodity prices, inflationary pressures, disruptions to global trade and heightened vulnerabilities across food, energy and supply chains. Yet, every crisis also creates an opportunity to challenge established paradigms, foster innovation and develop new pathways for sustainable growth, competitiveness and resilience.

In 2025, global apparel demand remained subdued as consumers across the United States, Europe and parts of Asia prioritised essential spending over discretionary purchases. This cautious consumption environment prompted brands and retailers to moderate order volumes and defer capacity expansion. Higher import duties in the United States, coupled with elevated logistics and raw material costs, also contributed to higher apparel and footwear prices, influencing inflationary trends across key retail markets. Looking ahead, demand conditions are expected to remain cautious, with brands and retailers likely to adopt a more measured and flexible approach to sourcing and inventory commitments. Persistent macroeconomic uncertainty and restrained consumer spending may limit the pace of recovery, keeping apparel volumes volatile across key markets. In this environment, agility, cost competitiveness and the ability to respond swiftly to evolving consumer and market dynamics will remain critical.

Against this backdrop, India continued to reinforce its position as the world's fastest-growing major economy, recording real GDP growth of 7%. The resilience of the Indian economy was supported by robust domestic demand, a strengthening manufacturing sector and sustained investments in digitalisation and infrastructure. Growth remained broad-based, driven by private

consumption and investment, resilient services activity and improving manufacturing performance. Progressive policy initiatives and sustained government-led investments have further strengthened the foundations for long-term economic growth, competitiveness and resilience, reinforcing India's position as an important driver of global economic growth.

India's expanding network of trade agreements is expected to further strengthen export competitiveness and market access. Progress on key trade pacts, including the India-UK FTA and India-EU FTA, is expected to create significant opportunities for Indian exporters, while the agreements concluded with EFTA countries, Oman and New Zealand are expected to support market diversification and enhance access to international markets. These developments, coupled with India's strong domestic economic base, provide a favourable foundation for sustained growth despite a challenging global environment.

India's apparel industry has experienced moderate growth in recent years, with inflationary pressures, uneven discretionary spending and elevated household debt weighing on consumer demand. Despite these near-term challenges, the industry remains an attractive structural growth opportunity, supported by favourable demographics, rising aspirations and India's expanding consumption base. In this evolving landscape, strong domestic brands assume strategic importance as they embody trust, quality, innovation and intellectual property while retaining greater value within the country. In this context, ***'Vocal for Local' is not merely a sentiment, but a strategic imperative** to strengthen domestic capabilities and nurture brands that are born in India and built for the world, delivering quality, innovation and trust that resonate with consumers globally.

India's growth trajectory is expected to remain resilient, supported by strengthening domestic demand and encouraging high-frequency indicators, including robust GST collections, healthy automobile sales, improving consumer confidence and increased e-way bill volumes, alongside a relatively moderate inflation outlook. Nevertheless, the near-term macroeconomic

environment remains exposed to external risks, including persistent geopolitical tensions, supply-chain disruptions, volatility in energy prices, foreign portfolio outflows and currency depreciation. Despite these challenges, India's favourable demographic profile, rising aspirations and rapid expansion of digital infrastructure provide strong foundations for long-term domestic consumption. According to the International Monetary Fund, India is expected to retain its position as the fastest-growing major economy, while continued policy reforms and an evolving trade landscape are expected to support its progression towards becoming the world's fourth-largest economy by 2027 and the third-largest by 2031.

At Zodiac, we remain firmly committed to operational excellence, process simplification and strengthening our ability to navigate an evolving global landscape. Our focus on quality, innovation and sustainability, anchored by a deep understanding of the Indian consumer, will enable us to capture emerging opportunities and build long-term value. Digital agility remains integral to our strategy, with data analytics and Artificial Intelligence being leveraged across our value chain—from demand forecasting and inventory management to consumer engagement. By strengthening our presence across both traditional and digital retail channels, we aim to remain accessible to our consumers wherever and whenever they choose to engage with us.

As I conclude and reflect on our journey, I extend, on behalf of the Board and myself, my sincere appreciation to all our stakeholders for their continued trust, support and encouragement. I am particularly grateful to our valued customers, whose enduring loyalty inspires us to continually raise our standards. I also extend my heartfelt thanks to our Board of Directors, management team and employees, whose dedication, integrity, resilience and commitment continue to drive us forward through challenging times. Together, we remain confident and determined to embrace the opportunities ahead, strengthen our foundations and write the next chapter of our journey with purpose, resilience and conviction.

S. Y. Noorani

Chairman & Managing Director



Regale

Limited Edition, Bespoke & Made-to-Measure

Customised fit and personalised monogramming.

Collar and cuff styles based on personal preferences.

Two ply, superfine Italian fabrics for
unparalleled softness and luxury.

Specially crafted, detachable collar bones.

Genuine mother of pearl buttons.

Bespoke, made to measure, limited edition shirts,
for modern day royalty.

Z O D I A C

FINEST QUALITY CLOTHING

— www.zodiaconline.com —

WHY ZODIAC MAKES THE BEST SUITS

PERFECTLY BALANCED

Italian inspired, perfectly balanced jackets that do not weigh heavy on the shoulders.

CONFIDENT FIT

All our jackets are constructed with a half canvas front made from genuine horse hair which flatters the chest thereby ensuring an unmatched drape & an almost shirt like flexibility.

HAND-STITCHED LUXURY

The lapels, half canvas lining & pockets are pick stitched while the armhole joints are hand-stitched making the suit more flexible.

COROZO BUTTONS

Crafted from the nut of a tropical palm grown only in the Ecuadorian rainforest.

BREATHABLE LINING

Only the finest "Cupro" natural fibre sourced from Bemberg is used.

PURE LIGHTWEIGHT WOOL

Crafted from superfine 140's & 160's lightweight, pure wool.

ZODIAC

FINEST QUALITY CLOTHING

— www.zodiaconline.com —

ZODIAC
Carletti
Italian 100's
CLASSICO

Carletti

ZODIAC

FINEST QUALITY CLOTHING

— www.zodiaconline.com —

HIGHLIGHTS (STANDALONE AND CONSOLIDATED)

₹ In Lakhs

Particulars	2025-26		2024-25	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operation	16,012.22	16,151.36	17,291.47	17,440.25
Other Income	1,138.77	1,284.73	1,199.78	1,341.83
Total Income	17,150.99	17,436.09	18,491.25	18,782.08
Less: Total expenses	16,843.17	17,421.66	19,135.60	19,559.16
Profit/(Loss) before finance cost, Depreciation and other exceptional item	307.82	14.43	(644.35)	(777.08)
Less: Finance cost	1,013.45	1,013.91	793.81	793.81
Profit/(Loss) before depreciation	(705.63)	(999.48)	(1,438.16)	(1,570.89)
Less: Depreciation	2,285.41	2,379.19	2,012.27	2,040.02
Profit /(Loss) before exceptional item	(2,991.04)	(3,378.67)	(3,450.43)	(3,610.91)
Add: Exceptional item	0	0	0	0
PROFIT/(LOSS) BEFORE TAX FOR THE YEAR	(2,991.04)	(3,378.67)	(3,450.43)	(3,610.91)
Tax Expense	124.77	125.34	580.66	108.68
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	(3,115.81)	(3,504.01)	(4,031.09)	(3,719.59)
Add: Balance brought forward from the last year	648.86	2,373.75	4,632.59	6,045.98
Add/Less: Other Comprehensive Income/(Loss) for the year	(48.20)	(48.20)	47.36	47.36
Less: Impact of Change in accounting policy (Ind AS 116)	0	0	0	0
Add: Transfer from OCI to Retained Earnings on derecognition of Equity Instruments	0	0	0	0
Total amount available for appropriation	(2,515.15)	(1,178.46)	648.86	2,373.75
Appropriations:	-	-	-	-
Dividends	-	-	-	-
Balance in Retained Earnings	(2,515.15)	(1,178.46)	648.86	2,373.75

DIRECTOR'S REPORT

To,
The Members,
Zodiac Clothing Company Limited

The Board of Directors are pleased to present the Company's 42nd Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31st March 2026.

1. FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	16012.22	17291.47	16151.36	17440.25
Other Income	1138.77	1199.78	1284.73	1341.83
Total Income	17150.99	18491.25	17436.09	18782.08
Profit/(Loss) Before Exceptional Items and Tax	(2991.04)	(3450.43)	(3378.67)	(3610.91)
Exceptional Item	-	-	-	-
Profit/(Loss) Before Tax	(2991.04)	(3450.43)	(3378.67)	(3610.91)
Provision for Taxation:				
Current tax	-	-	0.57	1.29
Deferred tax Charge/(Credit)	124.77	580.66	124.77	105.73
Tax in respect of earlier years	-	-	-	1.66
Profit/(loss) after taxation	(3115.81)	(4031.09)	(3504.01)	(3719.59)
Other Comprehensive Income	(586.04)	(333.15)	(351.88)	(335.34)
Total Comprehensive Income/ (loss) for the year	(3701.85)	(4364.24)	(3855.89)	(4054.93)

2. PERFORMANCE REVIEW:

During the financial year ended 31st March, 2026, the operational revenue of the Company on a Standalone basis was ₹16,012.22 Lakhs vs. ₹17,291.47 Lakhs in the previous year. Profit/(Loss) Before Tax and before exceptional items was ₹(2,991.04) Lakhs vs. ₹(3,450.43) Lakhs in the previous year, while the Net Profit/(Loss) after Tax for the Financial Year ended 31st March 2026 was ₹(3,115.81) Lakhs vs. ₹(4,031.09) Lakhs in the previous year. The Total Comprehensive Profit/(Loss) for the year was ₹(3,701.85) Lakhs vs. ₹(4,364.24) Lakhs in the previous year.

On a Consolidated basis the Operational revenue of the Company for the year was ₹16,151.36 Lakhs vs. ₹17,440.25 Lakhs in the previous year. The Consolidated Profit/(Loss) before Tax and before exceptional items was ₹(3,378.67) Lakhs vs. ₹(3,610.91) Lakhs in the previous year, the Net Profit/(Loss) after tax being ₹(3,504.01) Lakhs vs. ₹(3,719.59) Lakhs in the previous

year. The Consolidated Total Comprehensive Income/ (Loss) for the year was ₹(3,855.89) Lakhs vs. ₹(4,054.93) Lakhs in the previous year.

3. SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES :

As on 31st March, 2026, the Company had one (1) subsidiary and Five (5) step-down subsidiaries. There are no Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries/ step-down subsidiaries in Form AOC-1 is attached as Annexure 3 to this report.

Pursuant to the provisions of Section 136 of the Act, the Standalone and Consolidated financial statements of the Company along with relevant documents and the financial statements of the

subsidiaries/step-down subsidiaries, are available on the website of the Company at the link <https://www.zodiaconline.com/others>.

4. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the requirements of Accounting Standards AS-21, a Report on the performance and financial position of all the company's subsidiaries/step-down subsidiaries are included in the Consolidated Financial Statement and their contribution to the overall performance of the Company, is provided in Form AOC - 1 and forms part of this Annual Report.

5. CREDIT RATING:

Crisil Ratings has retained the Company's long term rating for debt instruments/Bank facilities for the FY 2025-26 as Crisil BB/Stable(Reaffirmed).

6. CAPEX:

During the year the Company has incurred capital expenditure of ₹397.11 lakhs, primarily towards new stores and information systems, with the objective of driving operational efficiency.

7. LIQUIDITY:

The Debt Equity ratio as on 31st March, 2026 was 0.68 on a Standalone basis and 0.59 on a Consolidated basis.

The Cash and Bank balances/Cash equivalents along with liquid investments (free reserves on consolidated basis) were ₹1,786.87 Lakhs in March 2026, as against ₹933.98 Lakhs last year.

8. SHARE CAPITAL:

The paid up equity share capital of the Company as on 31st March, 2026 was ₹27,45,81,310.

During the year under review, the paid-up equity share capital of the Company was increased from ₹25,99,37,170 to ₹27,45,81,310, pursuant to a preferential allotment of 14,64,414 Equity Shares to the Promoter & Promoter Group in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The aforesaid 14,64,414 Equity Shares were allotted at an issue price of ₹102.43 per Equity Share, comprising a face value of ₹10 per Equity Share and a securities premium of ₹92.43 per Equity Share, aggregating to ₹14,99,99,926.02.

9. DIVIDEND:

The Board of Directors of your Company have not recommended any dividend for the Financial year 2025-26 (previous year - NIL).

10. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A separate report on Corporate Governance laying down the Company's Philosophy on the Corporate Governance as well as all the disclosures as required under the SEBI Listing Regulations along with the Auditors' Certificate on its compliance with the corporate governance requirements under the SEBI Listing Regulations forms an integral part of this Report.

Management Discussion and Analysis Report (MDAR) is enclosed as part of this Annual Report.

As required under Regulations 17(8) of the Listing Regulations, the Managing Director and CFO have certified about compliance by the Company with the requirements under the said regulation for the financial year ended 31st March, 2026.

11. CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES:

In line with the requirements of the Companies Act, 2013 and the amended SEBI LODR, the Company has a policy on Related Party Transactions which is available on Company's website at the link <https://www.zodiaconline.com/codes-and-policies>.

The policy ensures that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The policy inter-alia deals with the review and approval of Material Related Party Transactions (MRPTs) keeping in view the potential or actual conflict of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and prior approval (including omnibus approvals) and wherever applicable board/members approvals are obtained. Note no. 41 of the Standalone financial statements contains disclosures on related party transactions.

Disclosure on MRPT is given in Form AOC-2 (Annexure 4) as per Section 134(3)(h) read with Section 188(2) of the Companies Act, 2013.

12. QUALITY:

The focus on productivity and consistent quality continues to be the cornerstone of the Company's philosophy. Quality, continuous innovation and pursuit of high value addition and cost control continue to drive the Company.

13. BRAND BUILDING:

The Company continues to focus on strengthening its three brands, namely Zodiac, z3 and ZOD!, with a view to enhancing their market traction and driving sustainable sales growth, both in the present and in the future.

The Company continuously focuses on enhancing product quality with the objective of fostering customer loyalty and delivering greater customer satisfaction. The Company strives to offer internationally benchmarked quality and contemporary designs at competitive and reasonable price points, thereby providing customers with compelling value without relying on discounts.

14. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

(A) Conservation of Energy

(i) Steps taken and impact on conservation of energy:

The Company has consistently maintained high standards in energy conservation and has undertaken various initiatives to further enhance energy efficiency across its operations. In particular, the Company has invested in steam optimisation projects for its process requirements, resulting in reduced energy consumption and improved operational efficiency.

Conservation of energy continues to receive significant emphasis across all units of the Company. Energy audits and inter-unit studies are conducted periodically to analyse energy consumption patterns, identify opportunities for improvement and implement appropriate measures for reducing energy usage. The Company believes that energy conservation is a continuous process and remains committed to achieving progressive improvements in energy efficiency.

All machinery and equipment are regularly serviced, upgraded and overhauled to ensure that they remain in optimal operating condition and function in an energy-efficient manner. These measures contribute to reducing energy consumption and improving overall operational efficiency.

The Company has also made significant progress in energy conservation by transitioning from furnace oil and diesel to gas-fired steam and power generation. This transition has enhanced the efficiency of steam generation, reduced fuel wastage and minimised the environmental impact associated with fuel transportation. Unlike the earlier practice of transporting furnace oil through tankers from distant states, the use of gas supplied through on-site pipelines connected to the central grid has proved to be more cost-effective and environmentally sustainable. It has also substantially reduced fuel losses arising from transportation and spillage, thereby improving overall resource efficiency and yield.

The Company's commitment to sustainable operations is also reflected in its Higg Index

performance, with a score of 100/100 in water and wastewater management and 90+ in energy-related parameters.

(B) Pollution Control

The Company continues to undertake measures aimed at effective water and pollution management. With the expansion of the rainwater harvesting catchment area, surplus harvested water is utilised for groundwater recharge and for maintaining the gardens and flowering plants within and around the factory premises. These initiatives contribute to water conservation while enhancing the overall environmental quality of the premises.

The Company continues to place strong emphasis on pollution prevention and environmental management. Through detailed mapping of input parameters and processes, together with real-time monitoring and balancing of the Effluent Treatment Plant (ETP), the Company has achieved a high level of operational efficiency in effluent management. These initiatives have enabled the Company to maintain environmental performance standards significantly above prevailing industry norms.

The Company's ZODIAC corporate office has also been designed with a strong focus on energy efficiency and continues to consume approximately 60% less energy than a typical office of comparable size.

(C) Technology Absorption, Adaptation and Innovation:

(i) Efforts made towards technology absorption:

In line with its continued focus on energy efficiency, the Company has converted its boilers from diesel/furnace oil-based operation to gas-fired operation, resulting in significant fuel savings and improved energy efficiency.

The Company is also undertaking initiatives to optimise its dyeing and processing operations through the adoption of advanced, fully computerised and automated equipment. These technological interventions are expected to further reduce the consumption of chemicals and water while improving process efficiency and consistency.

As part of its ongoing conservation initiatives, the Company proposes to further invest in technology for monitoring steam consumption and improving steam-generation and utilisation efficiency. This will enable more effective monitoring, optimisation and conservation of energy across the relevant processes.

(ii) Benefits derived, including product improvement, cost reduction, product development and import substitution :

The Company continues to adopt contemporary technologies with the objective of improving

productivity, product quality, operational efficiency and cost effectiveness. The Company's operations do not require significant imports of technology.

Technological capabilities relating to product development and raw material development continue to be strengthened. The Company also undertakes ongoing activities in fashion design and product innovation to remain responsive to evolving market requirements.

The adoption of state-of-the-art systems and machinery, including Product Lifecycle Management (PLM) software, automated cutting machines and automated fabric inspection systems, has contributed significantly to improvements in product quality, process efficiency and system effectiveness. These technological initiatives have also assisted the Company in maintaining production costs under control while enhancing overall operational productivity.

(iii) Details of imported technology :

The Company has not imported any significant technology during the last three financial years. Accordingly, this disclosure is not applicable.

The Company continues to leverage the latest available technologies to improve productivity, quality and operational efficiency, while its business operations do not require significant dependence on imported technology.

(D) Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

Foreign exchange used and earned		2025-26	2024-25
a.	Foreign Exchange Earnings	8,702.82	10,249.00
b.	Foreign Exchange Outgo	2,838.38	4,002.00

15. CORPORATE SOCIAL RESPONSIBILITY:

Corporate Social Responsibility (CSR) forms an integral part of the Company's commitment to sustainable and responsible business practices. The Company has a long-standing tradition of undertaking CSR initiatives and remains committed to assessing the social and environmental impact of its business decisions.

In accordance with Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee, the details of which are provided in the Corporate Governance Report forming part of this Report. The Company's CSR Policy is available on its website at the link <https://www.zodiaconline.com/codes-and-policies>.

The disclosures relating to CSR activities, as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, including

the CSR Policy, prescribed expenditure, unspent amount, if any, and the reasons therefor, are set out in **Annexure 1** forming part of this Report.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year under review, the following were the changes in Directors/Key Managerial Personnel of the Company:

- Late Mr. Mohamed Anees Noorani ceased to be the Non-Executive Director of the Company due to his demise on 29th July 2025.
- Mrs. Elizabeth Jane Hulse ceased to be an Independent Director of the Company w.e.f. 11th August 2025 upon completion of her second term.
- Mrs. Djena Sunavala was appointed as an Independent Director of the Company w.e.f. 12th September 2025.
- Mr. Mohamad Musaed Abu Nasr Noorani was appointed as Non-Executive Director of the Company w.e.f. 12th November 2025.
- Mr. Salman Yusuf Noorani, Managing Director of the Company was appointment as Chairman of the Company w.e.f. 13th February 2026.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Salman Yusuf Noorani, (DIN: 00068423) Director and Mr. S. R. Iyer, (DIN: 00580437) Director, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

List of Key Managerial Personnel

Sr. No	Name of the person	Designation
1.	Mr. Salman Yusuf Noorani	Chairman & Managing Director
2.	Mr. Mohamed Awais Jehangir Noorani	Whole-Time Director-Exports
3.	Mr. Adnan Salman Noorani	Whole-Time Director-Digital
4.	Mr. B. Mahabala	Sr. V.P.- Commercial & Chief Financial Officer
5.	Mr. Kumar Iyer	V.P.- Legal & Company Secretary

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

During the year under review, the annual performance evaluation of the Board of Directors, its Committees, and individual Directors, including the Chairman of the Company, was duly carried out in accordance with the criteria and process approved by the Nomination and Remuneration Committee,

which is aligned with the SEBI Guidance Note on Board Evaluation.

The Chairman and the other members of the Board deliberated upon the outcome of the performance evaluation and expressed their satisfaction with the overall performance of the Board, its Committees and individual Directors. The Board also reviewed and assessed the fulfilment of the criteria of independence, as prescribed under the applicable SEBI Listing Regulations, by the Independent Directors of the Company, including their independence from the management.

The performance evaluation of the Non-Independent Directors, including the Chairman of the Company, as well as the performance of the Board as a whole, was considered and discussed at a separate meeting of the Independent Directors of the Company.

DECLARATION BY INDEPENDENT DIRECTORS :

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and Listing Regulations and are independent of the management. The Board skill/expertise/competencies matrix of all the Directors, including the Independent Directors is provided in the Corporate Governance Report forming part of this Annual Report.

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are posted on the website of the Company at the link <https://www.zodiaconline.com/codes-and-policies>.

17. NUMBER OF MEETINGS OF THE BOARD:

The Board of Directors of the Company met 4 (Four) times during the year under review. The dates of the Board meeting and the attendance of the Directors at the said meetings are provided in detail in the Corporate Governance Report, which forms a part of this Report.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

- (i) In the preparation of the annual accounts for the year ended 31st March, 2026, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2026 and of the profit and loss of the Company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

19. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company's policy on Board Diversity provides for an appropriate mix of diversity, skills, experience and expertise required on the Board and assesses the extent to which the required skills are represented on the Board including the criteria for determining qualifications, positive attributes and independence of a Director.

The Company has a Remuneration Policy to evaluate the performance of the members of the Board, to ensure remuneration to Directors, KMP and Senior Management involving a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The policy ensures that the level and composition of remuneration

is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The Independent Directors have complied with the requirements of the Companies Act 2013 and Regulation 16(b) of SEBI LODR on their independence. The Company has obtained certification of independence from the Independent Directors in accordance with Section 149(6) of the Companies Act, 2013.

The remuneration details of the Executive and Non-Executive Directors is disclosed in the Corporate Governance report which forms part of the Directors Report. The above policy has been posted on the website of the Company at the link <https://www.zodiaconline.com/codes-and-policies>.

21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The particulars of loans, investments & guarantees have been disclosed in the financial statements.

22. HUMAN RESOURCE MANAGEMENT:

The Company recognizes the need for continuous growth and development of its employees to meet the challenges posed by the industry, besides fulfilling their own career path objectives. Consequently, the role of Human Resources continues to remain vital and strategic to the Company. Employee recruitment, training and development are a key focus area, with policies, processes and extensive use of technology to attract, retain and build on skills of high caliber employees. Industrial relations have continued to be harmonious throughout the year.

23. COMPLIANCE WITH THE CODE OF CONDUCT:

The Code of Conduct adopted by the Company for its Board of Directors and Senior Management Personnel has been uploaded on the Company's website at the link <https://www.zodiaconline.com/codes-and-policies>.

The Declaration of the Compliance with the Code of Conduct has been received from all Board members and Senior Managerial Personnel. A certificate to this effect from Mr. Salman Yusuf Noorani, Chairman & Managing Director forms part of this report.

24. PUBLIC DEPOSITS:

During the Financial Year 2025-26, the Company did not invite or accept any deposits from the public under the provisions of Section 73 of the Companies Act, 2013.

25. COMPANY'S WEBSITE:

The Financial Statements, Annual Report, including Corporate Governance Report, Shareholding Pattern, etc., are displayed with the other information on the Company's website, viz. www.zodiaconline.com.

26. INSURANCE:

All the properties/assets, including buildings, furniture/fixtures, etc. and insurable interests of the Company are adequately insured. The international debtors who avail of credit are also insured, despite their flawless record, as a measure of abundant caution.

27. STATUTORY AUDIT:

Pursuant to the provisions of Section 139 of the Companies Act and the Rules framed thereunder, M/s. MSKA & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 105047W) have been appointed as statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 38th AGM till the conclusion of the 43rd AGM.

The Auditor's Report to the members for the financial year ended 31st March, 2026 year does not contain any qualification, reservation, adverse remark or disclaimer.

28. MAINTENANCE OF COST RECORDS BY THE COMPANY AS SPECIFIED BY THE CENTRAL GOVERNMENT:

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not covered under the purview of Cost Audit from the F. Y. 2014-15 onwards.

29. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder and Regulation 24A of SEBI LODR Regulations, 2015 (as amended) M/s. Robert Pavrey & Associates LLP, Company Secretaries, a peer reviewed firm bearing Registration No. L2024MH016100, have been appointed as the Secretarial Auditors of the Company for a term of five (5) consecutive years, commencing from FY 2025-26 till FY 2029-30.

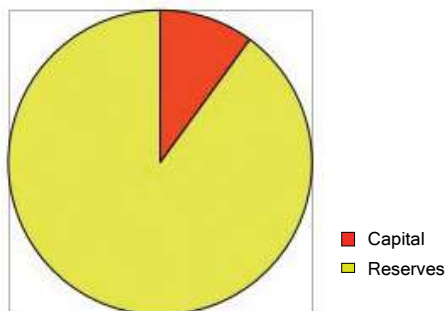
The Secretarial Audit Report for the financial year under review is annexed herewith as Annexure – 2 and forms an integral part of this Report.

The Secretarial Audit Report for the year under review does not contain any qualification, reservation, adverse remark or disclaimer.

30. AUDIT COMMITTEE:

The details pertaining to the composition of Audit Committee are included in the Corporate Governance Report, which forms a part of this report.

31. DETAILS OF SHAREHOLDERS' FUNDS EMPLOYED FOR THE YEAR 2025-26 CONSOLIDATED:



32. RISK MANAGEMENT:

In line with the regulatory requirements, the Company has a Risk Management Policy to identify and assess the key risk areas, monitor and report the compliance and effectiveness of the same. The Risk Management Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis

33. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s. M J Mange & Associates. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust management information system, which is an integral part of the control mechanism.

The Audit Committee members, Statutory Auditors and the Business Heads are periodically apprised of the Internal Audit findings and corrective action taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

34. POLICY ON PREVENTION OF SEXUAL HARASSMENT:

The Company has in place a prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & the Rules made thereunder. Internal Complaints Committee (ICC) has been set up to redress Complaints received regarding sexual harassment. All employees, permanent, contractual, temporary and trainees are covered under the policy.

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

Number of complaints filed during the financial year 2025-26	Number of complaints disposed off during the Financial Year 2025-26	Number of complaints pending as on end of the Financial Year 2025-26
Nil	Nil	Nil

35. DISCLOSURE OF MATERNITY BENEFIT COMPLIANCE:

The Company is in compliance with the provisions of the Maternity Benefit Act, 1961 for the financial year under review.

36. ANNUAL RETURN:

Pursuant to Section 92(3) read with section 134(3) (a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the web-link: <https://www.zodiaconline.com/annual-reports>.

37. SECRETARIAL STANDARDS:

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meeting.

38. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The details pertaining to the establishment of Vigil Mechanism/ Whistle Blower Policy is included in the Corporate Governance Report, which forms part of this report.

39. INVESTOR EDUCATION AND PROTECTION FUND:

As per the provisions of Sections 124 and 125 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') all unpaid or unclaimed dividends and the respective shares thereof for the

Financial Year up to 2017-18 have been transferred to the IEPF established by the Central Government within the stipulated time.

40. FRAUD REPORTING:

There was no fraud reported by the Auditors of the Company under Section 143 (12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

41. PARTICULARS OF EMPLOYEES:

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2025-26:

Names of Non - Executive Directors	Ratio to median remuneration
Mr. Vaman M. Apte	-
Mr. Subramaniam R. Iyer	-
Dr. Naushad Forbes	-
Mr. Dilip J Thakkar	-
Amb. Ahmad Javed	-
Mr. A. Y. Noorani (up to 29 th July, 2025)	-
Ms. Elizabeth J. Hulse (up to 11 th August, 2025)	-
Ms. Djena Sunavala (w.e.f 12 th September, 2025)	-
Mr. Musaед Noorani (w.e.f 12 th November, 2025)	-

Names of Executive Director	Ratio to median remuneration
Mr. Salman Yusuf Noorani	-
Mr. Awais Noorani	1:30
Mr. Adnan Noorani	1:15

Note: The ratio to the median remuneration is nil for Mr. Salman Yusuf Noorani, as he has voluntarily agreed not to receive any remuneration for the FY 2025-26.

- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year 2025-26:

Directors, CFO and CS*	% Increase in remuneration in the financial year
Mr. Vaman M. Apte	-
Mr. Subramaniam R. Iyer	-
Dr. Naushad Forbes	-
Mr. Dilip J. Thakkar	-

Directors, CFO and CS*	% Increase in remuneration in the financial year
Amb. Ahmad Javed	-
Mr. Salman Yusuf Noorani	-
Mr. A. Y. Noorani (up to 29 th July, 2025)	-
Ms. Elizabeth J. Hulse (up to 11 th August, 2025)	-
Ms. Djena Sunavala (w.e.f 12 th September, 2025)	-
Mr. Musaед Noorani (w.e.f 12 th November, 2025)	-
Mr. Adnan Noorani	36.05
Mr. Awais Noorani	51.57
Mr. B. Mahabala (CFO)	48.84
Mr. Kumar Iyer (CS)	54.93

Note: *The Chairman was not paid any remuneration nor sitting fees during FY 2025-26 for attending Board and Committee Meetings. The Non-Executive Directors of the Company were paid only Sitting Fees for attending the Board and Committee Meetings of the Company, details of which are given in the Corporate Governance Report and are not entitled to any other remuneration.

- c. The percentage increase in the median remuneration of employees in the financial year: 8.36% (the median employee is a piece rated worker)
- d. The number of permanent employees on the rolls of Company: 968 (as on 31st March, 2026)
- e. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: During the FY 2025-26, the restructuring and rationalization of the executive compensation has been done after a gap of several years and in alignment with the core statutory definitions under the four Labour codes.
- f. The key parameters for any variable component of remuneration availed by the Directors: During the Financial Year 2025-26 no performance linked bonus or any other variable component of remuneration has been paid to the Executive Director(s) of the Company.
- g. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company.
- h. Information of top 10 employees as required

under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014, for the year ended 31st March, 2026 is given below:

Sr. No	Name	Date of Birth	Designation	Remuneration (₹)	Nature of Employment	Qualification and Experience	Date of joining	Last Employment	% of Equity Shares held	Relative of any Director/ Manager of the Company
1	Mr. Salman Yusuf Noorani	15-03-1963	Chairman and Managing Director	Nil	Contractual	B. Com/ 44 years	01-03-1994	-	22.04	Father of Mr. Adnan Salman Noorani, Executive Director-Digital and Uncle of Mr. Awais Noorani, Executive Director-Exports & Mr. Musaed Noorani, Non-Executive Director.
2	Mr. Awais Noorani	08-10-1975	Executive Director – Exports	80,71,407	Permanent	B.Com, MBA from IMD Switzerland / 22 years	01-12-2002	-	0.47	Brother of Mr. Musaed Noorani, Non-Executive Director, Nephew of Mr. Salman Yusuf Noorani, Chairman & Managing Director & cousin brother of Mr. Adnan Noorani, Executive Director- Digital.
3	Ms. Behroze Daruwala	04-09-1950	Sr. VP – Exports	80,56,317	Permanent	B.A./ 54 years	30-05-1972	-	0.11	None
4	Mr. B Mahabala	07-11-1951	Sr. V.P. Commercial & C.F.O	80,01,432	Permanent	M.com, MBA & Diploma in Cost & Management Accountancy/ 52 years	15-06-1984	Vulcan Engineers Limited	0.06	None
5	Mr. Imraan Surve	11-10-1968	Sr. VP-Brands	80,00,000	Permanent	B.A. (Hons.) Economics/ 34 years	18-12-2001	Contract Advertising Pvt. Ltd.	0.02	None
6	Mr. Rajesh Pan	30-08-1974	VP- Retail Sales	60,00,000	Permanent	B.com/ 28 Years	04-09-2000	Weekends Division of Personality Limited	Nil	None
7	Mr. Anand Pisharody	19-10-1957	VP- Manufacturing	60,00,000	Permanent	B.A./ 47 years	02-05-1986	Indian Molasses Company Limited	0.00	None
8	Mr. Kumar Iyer	11-06-1964	VP- Legal & CS	55,00,000	Permanent	M.Com, ACS/ 41 years	15-05-2014	Advani Hotels & Resorts Limited	Nil	None
9	Mr. Nafees Azam	07-04-1960	GM-Sales MBO	51,00,000	Permanent	B.Com/ 41 years	21-05-2004	Geep Industrial Syndicate Limited	Nil	None
10	Mr. Subbaraman Parameswaran	06-12-1970	GM-Projects	51,00,000	Permanent	B.Sc. Physics & PG in Marketing Management/ 29 years	02-04-2001	Expocreat-ions India	0.07	None
11	Mr. Vikram Puri	29-06-1976	DGM Product (Export)	45,84,000	Permanent	B.Sc. Physics/ 30 years	07-05-2002	Cotton Club Inc.	0.00	None

42. OTHER DISCLOSURES:

In terms of the applicable provisions of the Act and the SEBI Listing Regulations, your Company additionally discloses that, during the year under review:

- there was no change in the nature of business of the Company;
- it has not issued any shares with differential voting rights;
- it has not issued any sweat equity shares;
- no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status operations of your Company in future;
- it has not transferred any amount to the Reserves;
- it has not raised any funds through qualified institutions placement as per Regulation 32(7A) of the SEBI Listing Regulations;
- it does not engage in commodity hedging activities;
- it has not made application or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 and

- it has not made any one-time settlement for the loans taken from the Banks or Financial Institutions.

43. ACKNOWLEDEMENTS:

The Directors are grateful for the co-operation, support and assistance received from the customers, shareholders, the Government, other statutory bodies, Banks, Solicitors, Distributors, Suppliers and other business associates during this year under review.

The Directors also express their sincere appreciation to the employees at all levels for having risen to meet the several challenges encountered and look forward to their valuable support and commitment in the times ahead.

For and on behalf of the Board of Directors

sd/-

Salman Yusuf Noorani

Chairman & Managing Director

DIN: 00068423

sd/-

Mohamed Awais Jehangir Noorani

Executive Director- Exports

Place: Mumbai

Date : 28th May, 2026

DIN: 00951424

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy:

The Company is committed to doing business with integrity and respect for the world around us. The Company's CSR policy is aimed at forming a dynamic relationship between the Company on the one hand and the society and the environment on the other. The Company has traditionally been driven by a moral obligation and philanthropic spirit and has a heritage of being engaged in such activities since inception. The Company is committed towards sustainability and all business decisions take into account its social and environmental impact.

For years now, the Company has been dedicated to provide quality products and to reduce energy use and increase efficiency. The projects undertaken/ programmes supported by the Company are within the broad framework of Schedule VI of the Companies Act, 2013. During the financial year 2025-26, despite of the Average Net profit for the purpose of computation of CSR being **NIL**, the Company has donated ₹ 52,00,000/- (Rupees Fifty-Two Lakhs only) to Head and Neck Cancer Institute of India (HNCII).

2. The composition of the CSR committee:

Sl. No	Name of Director	Designation in the Committee	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vaman. M. Apte	Chairman	Independent Director	1	1
2.	Mr. Salman Yusuf Noorani	Member	Chairman & Managing Director	1	1
3.	Mr. Awais Noorani	Member	Whole Time Director – Exports	1	0

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.zodiaconline.com/codes-and-policies>.**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** **Not Applicable****5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** **Not Applicable****6. Average net profit of the Company for last three Financial Years for the purpose of computation of CSR (As per Section 135(5)):** **NIL****7. (a) Two percent of average net profit of the company as per section 135(5):** **NIL**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**(c) Amount required to be set off for the financial year, if any: **NIL**(d) Total CSR obligation for the financial year (7a+7b-7c): **NIL****8. (a) CSR amount spent or unspent for the financial year:**

(Amount (in ₹))

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
52,00,000/-	NIL	Not Applicable	-	NIL	Not Applicable

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

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

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 spend for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
1.	Head and Neck Cancer Institute of India (HNCII)	Promoting health care including preventive health care	Yes	MH	Mumbai	52,00,000	Yes	NA	NA

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹52,00,000/-**

(g) Excess amount for set off, if any: **NIL**

Sr. No.	Particulars	Amount in ₹.
1	Two percent of average net profit of the company as per section 135(5)	NIL
2	Total amount spent for the Financial Year	NIL
3	Excess amount spent for the financial year [(ii)-(i)]	₹52,00,000/-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹52,00,000/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **None**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**

11. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per Section 135(5): **Not Applicable**

sd/-

Vaman. M. Apte
Chairman, CSR Committee
DIN: 00003651

sd/-

Salman Yusuf Noorani
Chairman & Managing Director
DIN: 00068423

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,
Zodiac Clothing Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zodiac Clothing Company Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (‘Act’) and rules made thereunder; and
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) Other applicable laws:

- a) Factories Act, 1948;
- b) Industries (Development and Regulation) Act, 1951;
- c) Labour Laws and other identical laws related to the labour and employees appointed by the Company either on its payroll or on contractual basis;
- d) Competition Act, 2002
- e) Consumer Protection Act, 2019
- f) Environmental Protection Act, 1986
- g) The Hazardous Waste (Management & Handling and Transboundary Movement) Rules, 2008.
- h) Boilers Act, 1923
- i) Gas Cylinders Rules, 2004
- j) Standards of Weights & Measures (Enforcement) Act, 1985
- k) The Static & Mobile Pressure Vessels (Unfired) Rules, 2018
- l) Foreign Trade (Development & Regulation) Act, 1992
- m) The Legal Metrology Act, 2009
- n) Trademark Act, 1999
- o) Copyrights Act, 1957

We have relied on the representations made by the Company, its officers and reports of the statutory auditors for the systems and mechanism framed by the Company

for compliances under other Acts, laws and regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that, there were no events/ actions in pursuance of:

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- d) The Securities and Exchange Board of India (Issue And Listing of Non-Convertible Securities) Regulations, 2021.

requiring compliance thereof by the Company during the Audit Period.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. 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 the directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the general meetings the number of votes cast against the resolutions has been recorded.

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

We further report that, during the Audit Period, there were no specific events which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company obtained consent of Shareholders by way of Special Resolution passed through general meeting / postal ballot with respect to the following:

- i. Appointment of Ms. Djena Sunavala (DIN: 03481614) as an independent director of the Company.
- ii. Raising of funds through issue of equity shares on preferential allotment basis to the Individual Investors - Promoters for cash.
- iii. Revision in the remuneration payable to Mr. Mohamed Awais Jehangir Noorani (DN: 00951424), whole-time director of the company.
- iv. Revision in the remuneration payable to Mr. Adnan Salman Noorani (DIN: 08689050), wholetime director of the company.
- v. Re-appointment of Mr. Salman Yusuf Noorani (Salman Yusuf Noorani) (DIN: 00068423) as the Managing Director of the Company and approval of the remuneration payable to him.
- vi. Appointment of Mr. Mohamed Musaed Abu Nasr Noorani (DIN: 06955214) as a Non- Executive, Non-Independent Director of the Company.
- vii. Alteration in the Articles of Association of the Company.

For **ROBERT PAVREY & ASSOCIATES LLP**
Company Secretaries
FRN – L2024MH016100

sd/-
Prerana Jadhav
Partner

Date : 25th May, 2026
Place : Mumbai

ACS No.: 34667 C.P. No.: 14036
UDIN: A034667H000465075

This report is to be read with Annexure A which forms as integral part of this report.

To,

The Members

Zodiac Clothing Company Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **ROBERT PAVREY & ASSOCIATES LLP**
Company Secretaries
 FRN – L2024MH016100

sd/-

Prerana Jadhav
Partner

Place : Mumbai

Date : May 25, 2026

ACS No.: 34667 C.P. No.: 14036
UDIN: A034667H000465075

Form AOC - 1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Sr. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate on last day of financial year	Share Capital	Reserves & surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	Zodiac Clothing Co. S.A. - Switzerland	April to March	CHF	₹ 117.33	2,50,000	71,703	3,40,337	3,40,337	Nil	Nil	1,041	Nil	1,041	Nil	100
2	Zodiac Clothing Co. (U.A.E.) LLC - U.A.E.	April to March	AED	₹ 25.550	3,00,000	1,23,44,470	1,38,07,913	1,38,07,913	Nil	2,10,275	(1,91,972)	Nil	(1,91,972)	Nil	100
3	Zodiac Clothing Bangladesh Limited - Bangladesh	April to March	TAKA	₹ 0.7570	14,97,69,500	(8,02,16,199)	12,75,55,816	12,75,55,816	Nil	39,77,456	(4,05,11,063)	Nil	(4,05,11,063)	Nil	100
4	Zodiac Clothing Company INC - USA	April to March	USD	₹ 93.8539	10,000	(14,066)	1,05,356	1,05,356	Nil	2,86,920	(51,291)	322	(51,613)	Nil	100
5	Zela Technologies, INC.	April to March	USD	₹ 93.8539	40	(49,192)	11,278	11,278	Nil	667	(20,834)	Nil	(20,834)	Nil	100
6	Zodiac Clothing Company Pvt Ltd. UK	April to March	GBP	₹ 25.6347	1	Nil	1	1	Nil	Nil	Nil	Nil	Nil	Nil	100

Form No. AOC-2

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

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

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

2. Details of material contracts or arrangements or transactions at arm's length basis:		
a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date(s) of approval by the Board	
f)	Amount paid as advances, if any	

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2025-2026

Corporate Governance is a process that aims to meet stakeholders' aspirations and expectations. It is much more than complying with the legal and regulatory requirements. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures etc. serve as the means for implementing the philosophy of corporate governance. The Company's policies on Corporate Governance and compliance thereof in respect of specific areas for the year ended 31st March 2026, as per the format prescribed by SEBI and as incorporated in Regulations 17 to 27 along with 34 (3) and clause (b) to (i) and (t) of Sub-regulation 46 (2) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") are set out below for the information of the members and investors of the Company.

I. Company's Philosophy on Corporate Governance

At Zodiac, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. Good Governance practices stem from the value system and philosophy of the organization. The Company's endeavor is to follow the spirit of good governance rather than mere compliance with the conditions specified by the regulatory authorities. The Board is collectively responsible for pursuing this purpose. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has formulated, inter alia, various policy documents and introduced best practices of governance. For the Company, Corporate Governance is not a destination but a continuous journey that seeks to provide an enabling environment to harmonize the goals of maximizing stakeholders' value and maintaining a strong customer focus.

II. Board of Directors

Composition of the Board

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board of the Company comprises of highly experienced persons of repute and eminence and has an optimal mix of professionalism, knowledge and experience that enables it to discharge its responsibilities and provide effective leadership to the business.

The Board comprises both Executive and Non-Executive Directors, with half of them being Independent Directors, including an Independent Women Director.

The Board composition is in conformity with the applicable provisions of the Companies Act, 2013 (the Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (Listing Regulations).

The number of Directorship(s), Committee Membership(s), Chairmanship(s) of all the Directors is within the respective limits prescribed under the Act and Listing Regulations.

Changes in Board of Directors / Key Managerial Personnel of the Company during the financial year 2025-26:

- Mr. Mohamed Anees Noorani (DIN: 00041686), Chairman & Promoter Director of the Company expired on 29th July, 2025.
- Mr. Salman Yusuf Noorani (DIN: 00068423), was reappointed as Managing Director w.e.f. 1st March, 2026. He was also appointed as Chairman of the Company w.e.f. 13th February, 2026.
- Ms. Elizabeth Jane Hulse (DIN: 07094093) ceased to be an Independent Director of the Company on completion of her second term w.e.f. 11th August, 2025.
- Ms. Djena Sunavala (DIN: 03481614) was appointed as an Independent Women Director of the Company w.e.f. 12th September, 2025.
- Mr. Mohamed Musaed Abu Nasr Noorani (DIN: 06955214) was appointed as Non-Executive Director of the Company w.e.f. 12th November, 2025.

The composition of the Board, Directorship/ Committee positions in other Companies as on 31st March, 2026, number of meetings held and attended during the year are as follows:

Sr. no.	Name of Director	Designation	Category of Directorship	Board Meetings during the year		Attendance at last AGM	Directorship and Category of Directorship in other Listed Entities	Committee Membership/ Chairmanship in other Public Companies	
				Held	Attended			Member	Chairman
1	Mr. Salman Yusuf Noorani	Chairman & Managing Director	Promoter & Executive Director	4	4	Yes	-	0	0
2	Mr. Mohamed Awais Jehangir Noorani	Executive Director - Exports	Executive Director	4	3	Yes	-	0	0
3	Mr. Adnan Salman Noorani	Executive Director - Digital	Executive Director	4	4	Yes	-	0	0
4	Mr. Subramaniam Ramachandran Iyer	Non- Executive Director	Non-Independent Director	4	4	Yes	-	0	0
5	Mr. Mohamed Musaed Abu Nasr Noorani (w.e.f. 12/11/2025)	Non- Executive Director	Non-Independent Director	4	1	NA	-	0	0
6	Mr. Vaman Madhav Apte	Non- Executive Director	Independent Director	4	4	Yes	-	0	0
7	Mr. Dilip J. Thakkar	Non- Executive Director	Independent Director	4	4	Yes	1. Pudumjee Paper Products Ltd – Independent Director 2. Black Box Ltd – Independent Director 3. Premier Ltd – Independent Director (Co. under CIRP)	5	1
8	Amb. Ahmad Javed	Non- Executive Director	Independent Director	4	4	Yes	1. Wockhardt Ltd - Independent Director 2. Kalyani Steels Ltd – Independent Director	2	0
9	Dr. Naushad Darius Forbes	Non- Executive Director	Independent Director	4	4	No	1. Bajaj Holdings & Investment Ltd - Independent Director 2. Bajaj Finance Ltd - Independent Director 3. Bajaj Finserv Ltd -Independent Director 4. Bajaj Auto Ltd -Independent Director 5. Pidilite Industries Ltd - Independent Director	6	1
10	Ms. Djena Sunavala (w.e.f. 12/09/2025)	Non- Executive Director	Independent Director	4	2	NA	-	0	0

Notes:

1. The Directorship/s, as mentioned above, does not include the Directorship in Zodiac Clothing Company Limited, in Private Limited Companies, Unlisted Public Companies and Foreign Companies.
2. In accordance with Regulation 26(1) of SEBI LODR, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies (excluding Zodiac Clothing Company Limited) have been considered.

Board Meetings

The Board Meetings are governed by a structured agenda. The agenda along with the detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision-making. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings. The necessary quorum has been present in all the meetings.

During the Financial Year, a total of Four (4) Board Meetings were held i.e. on 28th May, 2025, 13th August, 2025, 12th November, 2025 and on 13th February, 2026.

In compliance with the requirements of Schedule IV of the Companies Act, 2013 read with Regulation 25 of the SEBI LODR, a separate meeting of the Independent Directors of the Company was held on 20th March, 2026 without the attendance of Non-Independent Directors and members of the Management of the Company.

Number of shares and convertible instruments held by Non- Executive Directors

The details of number of shares and convertible instruments held by Non-Executive Directors is provided below:

Name of the Non-Executive Directors	Number of Equity Shares held as on 31 st March, 2026
Mr. Mohamad Musaed Abu Nasr Noorani	137277
Mr. Subramaniam Ramachandran Iyer	3375
Mr. Vaman Madhav Apte	2130
Dr. Naushad Darius Forbes	71714
Mr. Dilip Jayantilal Thakkar	Nil
Amb. Ahmad Javed	Nil
Mrs. Djena Sunavala	Nil

Chart or a Matrix setting out the Skills / Expertise / Competencies of the Board of Directors:

The Board of Directors of the Company possess the requisite skills / expertise / competencies in the context of its businesses to function effectively. The core skills / expertise / competencies that are available with the Directors are as under:

Name of the Director	Designation of the Director	Skills / Expertise
Mr. Salman Yusuf Noorani	Chairman & Managing Director	Industrialist with expertise in setting up and up-gradation of manufacturing facilities. Presently overseeing the Company's operations, product design, manufacturing, sales and marketing.
Mr. Vaman M. Apte	Non-Executive, Independent Director	Industrialist with rich and varied experience in setting up and managing industries and also providing consultancy.
Mr. Subramaniam Ramachandran Iyer	Non-Executive, Non-Independent Director	An eminent Banker with vast knowledge and rich experience in Finance and Banking.
Dr. Naushad Forbes	Non-Executive, Independent Director	An eminent industrialist with a doctorate degree in engineering from Stanford University and expertise in steam engineering, energy efficiency, technology and international business.
Amb. Ahmad Javed	Non-Executive, Independent Director	Amb. Ahmad Javed, is a distinguished former IPS officer of the 1980 batch, Maharashtra cadre and a seasoned Diplomat. His expertise lies in Law enforcement and public service.
Mr. Dilip Jayantilal Thakkar	Non-Executive, Independent Director	Mr. Dilip Jayantilal Thakkar is a practicing Chartered Accountant and specialises in FEMA, domestic and international taxation and is an advisor to many Companies and non-residents.
Mr. Mohamed Awais Jehangir Noorani	Whole time Director - Exports	A seasoned professional with over 30 years of specialized experience in the clothing and textiles, global market and business development. Driving the company's expansion in the highly competitive International clothing sector.
Mr. Adnan Salman Noorani	Whole time Director - Digital	Expertise in machine learning and technology, currently focused on scaling the Company's Branded business in India through its own D2C E-Commerce platform and its retail stores.
Mr. Mohamed Musaed Abu Nasr Noorani	Non-Executive, Non-Independent Director	Seasoned investment professional with deep expertise in private equity, deal origination and execution, portfolio management and value creation, contributing to the Company's strategic growth, capital allocation and expansion initiatives across sectors.
Ms. Djena Sunavala	Non-Executive, Independent Director	A practicing attorney with over thirty years of experience. She has represented domestic and global financial services groups for setting-up, investing in and exiting from India mutual funds and life insurance companies.

Familiarization Programme for Board Members

The Company has put in place a system on an ongoing basis to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the Company operates and the business model of the Company. Further the Chairman/ Managing Director has one to one discussions with the newly appointed Directors to familiarize them with the Company's operations. The familiarization programme for Independent Directors has been posted on the Company's website at www.zodiaconline.com and the web link for the same is <https://www.zodiaconline.com/codes-and-policies>.

Code of Conduct for Board of Directors and Senior Management Personnel

The Company has adopted a Code of Conduct for Board of Directors and Senior Management Personnel (“the Code”) as laid down by Regulation 26(3) of SEBI LODR. The duties of Independent Directors as laid down in Schedule IV of the Companies Act, 2013 are suitably incorporated in the Code as required under the Regulation 17 of SEBI LODR. The Code has been communicated to the Directors and the Senior Management Personnel. The Code has also been posted on the Company’s website at www.zodiaconline.com and the web link for the same is <https://www.zodiaconline.com/codes-and-policies>. All Board members and senior management personnel have confirmed compliance with the Code for the year ended 31st March, 2026. The Annual Report contains a declaration to this effect signed by the Chairman & Managing Director.

Detailed reasons for the resignation of an independent director who resigns before the expiry of his/ her tenure along with a confirmation by such director that there are no other material reasons other than those provided: **Not Applicable**

Disclosure of relationship/s between Directors inter-se:

Mr. Salman Yusuf Noorani, Chairman & Managing Director, is the father of Mr. Adnan Salman Noorani and uncle of Mr. Mohamed Awais Jehangir Noorani and Mr. Mohamed Musaed Abu Nasr Noorani.

Mr. Mohamed Awais Jehangir Noorani, Whole-Time Director – Exports, is the nephew of Mr. Salman Yusuf Noorani, cousin of Mr. Adnan Salman Noorani and brother of Mr. Mohamed Musaed Abu Nasr Noorani.

Mr. Adnan Salman Noorani, Whole-Time Director – Digital, is the son of Mr. Salman Yusuf Noorani and cousin of Mr. Mohamed Awais Jehangir Noorani and Mr. Mohamed Musaed Abu Nasr Noorani.

Mr. Mohamed Musaed Abu Nasr Noorani, Non-Executive Director, is the nephew of Mr. Salman Yusuf Noorani, brother of Mr. Mohamed Awais Jehangir Noorani and cousin of Mr. Adnan Salman Noorani.

Other than the above, none of the Directors are related to any other Director/s of the Company.

Independent Directors’ confirmation by the Board:

All the Independent Directors (ID’s) have given declaration that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1b) of SEBI LODR. In the opinion of the Board, all the IDs, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1b) of the SEBI LODR.

Committees of Board:

The Company has constituted various Committees of the Board of Directors to focus on critical functions of the Company and also for smooth and efficient business operations viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders’ Relationship Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee, Forex Committee and Investment Committee. The Committees meet as and when necessary for deciding various matters and providing directions and authorizations to the management for its implementation.

Details on role and composition of these Committees, including number of meeting held during the F.Y. 2025-26 and the related attendance are provided below:

III. Audit Committee

- (a) The members of Audit Committee as on 31st March, 2026:

Name of Director	Designation	Chairman/Member
Mr. Dilip Thakkar	Non- Executive, Independent Director	Chairman
Mr. Vaman Apte	Non- Executive, Independent Director	Member
Mr. S. R. Iyer	Non-Executive, Non-Independent Director	Member

The constitution of the Audit Committee is in terms of Regulation 18 of the SEBI (LODR) Regulations, 2015, and all the members of the Audit Committee possess sound knowledge of accounts, audit, financial management expertise, etc.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Audit Committee.

The terms of reference of the Audit Committee are in line with Regulation 18 of SEBI LODR and Section 177 of the Companies Act, 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

(b) Roles and Powers of the Audit Committee:

The brief description of the terms of reference of the Committee is as follows:

Powers

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Roles:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements and the auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Approval and Disclosure of any related party transactions;
 - g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. To evaluate the internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Such other functions as may be prescribed under the applicable laws and regulations.

The Audit Committee mandatorily reviews the following information:

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

(c) Meetings of Audit Committee:

The Meetings of Audit Committee are also attended by the Chairman & Managing Director, CFO, Statutory Auditors and Internal Auditors as special invitees.

During the Financial Year, a total of Eight (8) Audit Committee Meetings were held i.e. on 28th May, 2025, 25th June, 2025, 13th August, 2025, 14th October, 2025, 12th November, 2025, 24th December, 2025, 13th February, 2026 and 25th March, 2026.

The details of attendance of each member of the Audit Committee is given below:

Name	Designation	No. of meetings held	No. of meetings attended
Mr. Dilip Thakkar	Chairman	8	8
Mr. S. R. Iyer	Member	8	8
Mr. Vaman Apte	Member	8	8

IV. Nomination and Remuneration Committee

The following are members of the Nomination and Remuneration Committee as on 31st March, 2026:

Name of Director	Designation	Chairman/Member
Dr. Naushad Forbes	Non-Executive, Independent Director	Chairman
Mr. S. R. Iyer	Non-Executive, Non-Independent Director	Member
Mr. Vaman M. Apte	Non-Executive, Independent Director	Member

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is responsible to overview the process of evaluation of performance of the Board as a whole, Board Committees and the Directors individually.

The Committee's terms of reference include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees.
- 1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity &
 - c. consider the time commitments of the candidates.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

During the Financial Year, One (1) Nomination and Remuneration Committee Meeting was held i.e. on 16th October, 2025 and attended by all the members.

V. Performance evaluation criteria for Independent Directors:

Based on the Criteria for evaluating the Performance of the Independent Directors as laid down by the Nomination and Remuneration Committee of the Company, the Performance evaluation of the Independent Directors for the Financial Year 2025-26 has been made by the Board of Directors at their meeting held on 20th March, 2026.

As a result, in the opinion of the Board, all the Independent Directors of the Company fulfill the conditions specified in the SEBI LODR and are independent of the management.

Remuneration Policy:

A. Remuneration to Managing Director:

The remuneration payable, if any to the Managing Director is subject to the limits laid down under Section 197 and Schedule V to the Companies Act, 2013, and in accordance with the terms of appointment approved by the members of the Company. The remuneration of the Managing Director is determined by the Nomination & Remuneration Committee. Mr. Salman Yusuf Noorani is entitled to a remuneration consisting of Salary, Company's contribution to Provident Fund, Performance linked Bonus, other perquisites including Company's Car with driver and allowances subject to the same not exceeding the limits as permissible under the Act, applicable from time to time. The Managing Director is not entitled to any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The Managing Director has voluntarily waived off his remuneration for the FY 2025-26.

B. Executive Director/s:**Details of Remuneration paid to Executive Director/s for the Financial Year ended 31st March, 2026**

Particulars	Mr. Salman Yusuf Noorani, Chairman & Managing Director	Mr. Mohamed Awais Jehangir Noorani, Whole Time Director- Exports	Mr. Adnan Salman Noorani, Whole-Time Director-Digital
Term of Appointment	Re-appointed for a period of 3 years from 1 st March, 2026 to 28 th February, 2029.	For a period of 3 years from 1 st April, 2024 to 31 st March, 2027	For a period of 3 years from 1 st April, 2024 to 31 st March, 2027.
Salary	Mr. Salman Yusuf Noorani has voluntarily waived off his remuneration for F.Y. 2025-26.	₹80,71,407/-	₹40,00,000/-
Commission	Nil	Nil	Nil
Minimum Remuneration	In the event of absence or inadequacy of profits under the Act in any financial year, minimum remuneration shall be the same as remuneration paid, subject to the same not exceeding the limits prescribed under the Act.	In the event of absence or inadequacy of profit under the Act in any financial year, minimum remuneration shall be the same as remuneration paid, subject to the same not exceeding the limits prescribed under the Act.	In the event of absence or inadequacy of profit under the Act in any financial year, minimum remuneration shall be the same as remuneration paid, subject to the same not exceeding the limits prescribed under the Act.
Service Contract, Notice Period & Severance Fees	The Appointment is contractual and can be terminated by either of the parties by giving six months' notice or six months' salary in lieu thereof.	The Appointment is contractual and can be terminated by either of the parties by giving six months' notice or six months' salary in lieu thereof.	The Appointment is contractual and can be terminated by either of the parties by giving six months' notice or six months' salary in lieu thereof.
Stock option	None	None	None

C. Non-Executive Directors:

The Non-Executive Directors of the Company are only paid sitting fees for attending meetings of the Board and Committees thereof, within the limits prescribed under the Companies Act, 2013.

The details of sitting fees paid/payable to the Non-Executive Directors for the financial year 2025–26 are as under:

Name of Directors	Sitting Fees paid / payable (in Rs.)#	Shares held as on 31st March, 2026
Late Mr. Mohamed Anees Noorani (upto 29 th July, 2025)	Nil	60,00,109
Mr. S. R. Iyer	6,40,000/-	3,375
Mr. V. M. Apte	7,00,000/-	2,130
Dr. Naushad Darius Forbes	2,40,000/-	71,714
Mr. Dilip Thakkar	6,40,000/-	Nil
Amb. Ahmad Javed	2,20,000/-	Nil
Mr. Musaed Abu Nasr Noorani	Nil	1,37,277
Ms. Djena Sunavala	1,00,000/-	Nil

The Sitting Fees paid is exclusive of GST paid thereon at the applicable rates.

D. Pecuniary relationship or transaction

Save and except for the shareholding of the Non-Executive and the Independent Directors (detailed herein above), there is no pecuniary or business relationship between the Non-Executive and the Independent Directors and the Company, except for the sitting fees paid for attending meetings of the Board / Committees as mentioned above.

VI. Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee to monitor and review investors' grievances, share transfers, etc. The following are the members of the Stakeholders' Relationship Committee as on 31st March, 2026:

Name of Director	Designation	Chairman/Member
Mr. Vaman M. Apte	Non-Executive, Independent Director	Chairman (w.e.f 13 th August, 2025)
Mr. Salman Yusuf Noorani	Chairman and Managing Director	Member
Mr. Mohamed Awais Jehangir Noorani	Executive Director	Member (w.e.f 13 th August, 2025)

Note: Consequent upon the demise of Late Mr. Mohamed Anees Noorani, the Stakeholders' Relationship Committee was reconstituted by the Board on 13th August, 2025. Pursuant to such reconstitution, Mr. Vaman M. Apte was designated as the Chairman of the Committee, and Mr. Mohamed Awais Jehangir Noorani was inducted as a member of the Committee.

Mr. Kumar Iyer, Company Secretary is the Compliance Officer.

During the year, 7 shareholder complaints were received which was resolved fully to the satisfaction of the shareholder/s and reported to the Committee. There were no pending shareholder complaints as on 31st March, 2026.

During the Financial Year One (1) Stakeholders Relationship Committee Meeting was held i.e. on 17th November, 2025.

VII. Corporate Social Responsibility (CSR) Committee

The following are the members of the Corporate Social Responsibility Committee as on 31st March, 2026:

Name of Director	Designation	Chairman/Member
Mr. Vaman M. Apte	Non-Executive Independent Director	Chairman
Mr. Salman Yusuf Noorani	Chairman and Managing Director	Member
Mr. Mohamed Awais Jehangir Noorani	Executive Director	Member (w.e.f 13 th August, 2025)

Note: Consequent upon the demise of Late Mr. Mohamed Anees Noorani, the Corporate Social Responsibility (CSR) Committee was reconstituted by the Board on 13th August, 2025. Pursuant to such reconstitution, Mr. Mohamed Awais Jehangir Noorani was inducted as a member of the Committee.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

The Corporate Social Responsibility Committee recommends CSR initiatives and monitors the implementation of the same as per the Corporate Social Responsibility Policy as approved by the Board.

During the Financial Year One (1) Corporate Social Responsibility Committee Meeting was held i.e. on 13th February, 2026 and attended by all the members.

VIII. Risk Management Committee

The Risk Management Committee is responsible for monitoring and reviewing the risk management plans duly approved by the Board. The members of the Risk Management Committee as on 31st March, 2026::

Name of Director	Designation	Chairman/Member
Mr. Vaman M. Apte	Non-Executive Independent Director	Chairman
Mr. Salman Yusuf Noorani	Chairman and Managing Director	Member
Mr. Mohamed Awais Jehangir Noorani	Executive Director	Member (w.e.f 13 th August, 2025)

Note : Consequent upon the demise of Late Mr. Mohamed Anees Noorani, the Risk Management Committee was reconstituted by the Board on 13th August, 2025. Pursuant to such reconstitution, Mr. Mohamed Awais Jehangir Noorani was inducted as a member of the Committee.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee

During the Financial Year One (1) Risk Management Committee Meeting was held i.e. on 13th February, 2026 and attended by all the members.

IX. Forex Committee

The following of the Committee members are responsible for overseeing and implementing the Forex Hedging Policy approved by the Board. The members of the Forex Committee as on 31st March, 2026:

Name of Director	Designation	Chairman/Member
Mr. Dilip Thakkar	Non-Executive Independent Director	Chairman
Mr. Salman Yusuf Noorani	Chairman and Managing Director	Member

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

During the Financial Year One (1) Forex Committee Meeting was held i.e. on 10th March, 2026 and attended by all the members.

X. Investment Committee

The following are the members of the Investment Committee as on 31st March, 2026:

Name of Director	Designation	Chairman/Member
Mr. Salman Yusuf Noorani	Chairman and Managing Director	Chairman
Mr. S. R. Iyer	Non-Executive, Non-Independent Director	Member

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

During the Financial Year One (1) Investment Committee Meeting was held i.e. on 09th April, 2025 and attended by all the members.

XI. Subsidiary Companies

The following are the Company's Subsidiary / Step down Subsidiaries as on 31st March, 2026:

1. Zodiac Clothing Company S.A. (Switzerland) - Subsidiary;
2. Zodiac Clothing Company (U.A.E.) LLC - Step Down Subsidiary;
3. Zodiac Clothing Bangladesh Limited (Bangladesh) – Step Down Subsidiary;
4. Zodiac Clothing Company INC (USA) - Step Down Subsidiary;
5. Zela Technologies INC (USA) - Step Down Subsidiary.
6. Zodiac Clothing Co. Pvt. Ltd., (UK) - Step Down Subsidiary.

None of the above Companies are material subsidiaries as defined under Regulation 16(c) of SEBI LODR. However, the Company has formulated the material subsidiary policy and uploaded on the website of the Company.

The Audit Committee reviews the financial statements of the subsidiaries, in particular the Investments made, if any, by the subsidiary Companies during every quarter.

The minutes of the Board Meeting of the Subsidiaries are periodically placed before the Board of Directors of the Company. The Management also brings to the attention of the Board periodically, the statement of significant transactions entered into by the subsidiaries, if any.

XII. Directors seeking appointment/ re-appointment

Mr. Salman Yusuf Noorani, Chairman & Managing Director and Mr. Subramaniam Ramachandran Iyer, Non-Executive Director of the Company, retire by rotation at the ensuing 42nd Annual General Meeting and are eligible for re-appointment.

XIII. Other Disclosures:

a. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this Regulation.

The Company has complied with all the mandatory requirements as stipulated in Schedule V of the SEBI LODR. The non-mandatory requirement as stipulated in Schedule V of SEBI LODR is being reviewed by the Board and has been adopted to the extent and in manner as stated under the appropriate headings in the Report on Corporate Governance.

b. Related Party Transactions

All transactions entered into with the related parties as defined under section 188 of the Companies Act 2013 and Regulation 23 and Schedule V of SEBI LODR during the Financial Year were in the ordinary course of business and on an arm's length basis. Related Party Transactions have been disclosed under the notes forming part of the financial

statements in accordance with Ind AS 24. A statement in summary form of transactions with related parties entered to in the ordinary course of business and on Arm's Length basis is periodically placed before the Audit Committee for review and approval.

As required under Regulation 23 of SEBI LODR, the Company has a policy on dealing with related party transactions. The policy is available on the website of the Company under the head "Investor Relations".

None of the transactions with related parties were in conflict with the interest of the Company. All transactions are in the normal course of business and have no potential conflict with the interests of the Company at large and are carried out on an arm's length basis.

c. Details of non-compliance by the Company, penalties & strictures imposed on the Company by stock Exchange or SEBI or any Statutory Authority, on any matter related to capital market, during the last three years.

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital market during the last three years other than the following:

The Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE), via their respective e-mails dated 17th March, 2025, have each levied a penalty of ₹1,53,400 each (including GST of ₹23,400) on the Company. The fines have been imposed for the alleged non-compliance with Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the Company not having passed a special resolution prior to the appointment of Mr. Dilip J. Thakkar as an Independent Director of the Company since at the time of appointment as he was more than 75 years old. The said fine/s has been paid by the company on 21st March, 2025.

d. Code for Prohibition of Insider trading:

In compliance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board of Directors of the Company have adopted a formal 'Code of conduct for Regulating, Monitoring and Reporting of Trading by Insiders' for prevention of Insider trading by the Directors and Designated Employees and their dependents and have also adopted the Procedure for enquiry in case of leak/suspected leak of Unpublished Price Sensitive Information Policy.

e. Whistle Blower Policy/Vigil Mechanism

Pursuant to section 177(9) & (10) of the Companies Act, 2013 and Regulation 46 of SEBI LODR, the Company has a Whistle Blower Policy for Vigil Mechanism for Directors and employees to report to the management about unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the employees of the Company have been denied access to the Audit Committee. The said policy is disclosed on the website of the company viz: <https://zodiaconline.com/pages/codes-and-policies>.

f. Disclosure of Accounting Treatment

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

g. Web link where policy for determining 'material' subsidiaries is disclosed

The web link where the policy for determining 'material' subsidiaries is disclosed at <https://zodiaconline.com/pages/codes-and-policies>.

h. Web link where policy on dealing with Related Party Transactions

The web link where the policy on dealing with Related Party Transactions is disclosed at <https://zodiaconline.com/pages/codes-and-policies>.

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

Number of complaints filed during the financial year 2025-26	Number of complaints disposed-off during the Financial Year	Number of complaints pending as on end of the Financial Year
Nil	Nil	Nil

- j. **The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent Company has adopted are mentioned below:**

Discretionary Requirements:

- The Auditors' Opinion on the Financial Statements continues to be Unmodified.
- The Internal Auditor reports directly to the Audit Committee of the Company.

- k. **Details of Total Fees for all services paid by Zodiac and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditor is a part.**

The total fees paid to the Statutory Auditors are given in the Standalone Financial Statements.

I. Shareholder Information

A. General Body Meeting

1. Details of last three Annual General Meetings held:

Financial Year	Day & Date	Time	Venue
2022-2023	Friday, 29 September 2023	03:00 p.m.	Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai – 400 030 (through video conferencing /other audio visual means)
2023-2024	Friday, 27 September 2024	03:00 p.m.	Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai – 400 030 (through video conferencing /other audio visual means)
2024-2025	Monday, 29 September 2025	03:00 p.m.	Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai – 400 030 (through video conferencing /other audio visual means)

2. Whether any Special Resolutions were passed in the previous three AGMs:

39th Annual General Meeting held on 29th September, 2023:

At this meeting, the following Special Resolution was passed:

- i. To approve material related party transaction limits with Zodiac Metropolitan Clothing GMBH.

40th Annual General Meeting held on 27th September, 2024:

At this meeting, the following Special Resolutions were passed

- I. Appointment of Mr. Dilip Jayantilal Thakkar (DIN:00007339) as an Independent Director of the Company.
- II. Appointment of Amb. Ahmad Javed (DIN:08668304) as an Independent Director of the Company
- III. Re-appointment of Mr. Vaman Madhav Apte (DIN:00003651) as an Independent Director of the Company.
- IV. Appointment of Mr. Subramaniam Ramachandran Iyer (DIN:00580437) as a Non-Independent Non-Executive Director of the Company.

41th Annual General Meeting held on 29th September, 2025:

At this meeting, the following Special Resolutions were passed:

- I. Appointment of M/s Robert Pavrey & Associates LLP, Company Secretaries as the Secretarial Auditors of the Company.
- II. Appointment of Ms. Djena Sunavala (DIN: 03481614) as a Non-Executive Independent Director.

B. Extra- Ordinary General Meeting:

There was no Extra Ordinary General Meeting held during the F.Y. 2025-26.

C. Postal Ballot:

Whether any special resolution passed through postal ballot:

During the year, the Company has sought the approval of members through postal ballot via remote e-voting for the following special resolutions:

Sr. no.	Date of Postal Ballot Notice	Date of Declaration of Results	Particular	Votes in favour of the resolution		Votes against the resolution	
				No. of votes	% to total votes	No. of votes	% to total votes
1	18 th June, 2025	19 th July, 2025	1. Raising of Funds through Issue of Equity Shares on Preferential Allotment Basis to the Individual Investors Promoters for cash.	1,91,55,803	99.9905	1,822	0.0095
			2. Revision in the Remuneration Payable to Mr. Mohamed Awais Jehangir Noorani (DIN: 00951424), Whole - Time Director of the Company.	1,91,53,901	99.9805	3,734	0.0195
			3. Revision in the Remuneration Payable to Mr. Adnan Salman Noorani (DIN: 08689050), Whole - Time Director of the Company.	1,91,53,901	99.9805	3,734	0.0195
2	04 th Dec, 2025	05 th Jan, 2026	1. Raising of funds through issue of Equity Shares on Preferential Allotment Basis to the Individual Investors - Promoter & Promoters Group for cash.	1,25,59,216	99.9972	347	0.0028
			2. Re-Appointment of Mr. S. Y. Noorani (DIN: 00068423) as the Managing Director of the Company and approval of the remuneration payable to him.	1,25,58,611	99.9924	952	0.0076
			3. Appointment of Mr. Mohamed Musaed Abu Nasr Noorani (DIN: 06955214) as a Non-Executive, Non-Independent Director of the Company.	1,25,58,646	99.9927	917	0.0073
			4. Alterations in the Articles of Association of the Company.	1,25,59,181	99.997	382	0.003

Person who conducted the postal ballot exercise:

Mr. B. Narasimhan, Proprietor B N & Associates a Practicing Company Secretary.

Whether any Special Resolution is proposed to be conducted through postal ballot: No

Procedure for postal ballot:

The procedure for postal ballot is as per the provisions contained in the Companies Act, 2013 and rules made thereunder namely "The Companies (Management and Administration) Rules, 2014" as amended from time to time read with circulars issued by Ministry of Corporate Affairs.

XIV. Means of Communication:

- Quarterly Results: Published in the newspapers in terms of Regulation 33 of SEBI LODR.
- Newspapers in which results are normally published in:
 - Business Standard (English Newspaper All India Edition).
 - Lokmat (Marathi Newspaper - Mumbai Edition)
- The Company's financial results and official press releases are displayed on the Company's website: www.zodiaconline.com
- Presentation if any, made to the Investors and analysts are posted on the Company's website viz. www.zodiaconline.com
- During the year under review, no presentation was made to analysts.

XV. General Shareholder Information

a) Annual General Meeting for the financial year 2025-26:

Day & Date	Time	Venue
Wednesday, 30 th September, 2026	03:00 p.m.	Annual General Meeting through Video Conference/Other Audio-Visual Means (Deemed Venue for meeting - Nyloc House, 254, D2, Dr. Annie Besant Road, Mumbai - 400030.)

b) Financial Year 2026 - 2027 (tentative) Schedule of the Board Meetings:

First Quarter ended 30th June, 2026: On or before 14th August, 2026

Second Quarter ended 30th September, 2026: On or before 14th November, 2026

Third Quarter ended 31st December, 2026: On or before 14th February, 2027

Fourth Quarter ended 31st March, 2027: On or before 30th May, 2027

c) Dates of Book Closure:

There was no corporate action executed during the financial year 2025-26.

d) Dividend payment date:

The Board has not recommended any Dividend for the year under consideration.

e) Disclosure of details of Unclaimed Shares (under Schedule V of SEBI LODR):

In terms of Schedule V of SEBI LODR, the details of the Unclaimed Shares lying in the Unclaimed Share Suspense Account are as follows:

Sr. No.	Particulars	No. of Shareholders	No. of Equity Shares
i	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Suspense Account as on 1 st April, 2025.	7	1150
ii	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Shares Suspense Account during the year.	-	-
iii	Number of shareholders to whom the shares were transferred from the Unclaimed Shares Suspense Account during the year.	-	-
iv	Shares credited to the IEPF suspense account in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 published on 5 th September, 2016.	1	200
v	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Suspense Account as on 31 st March, 2026, whose voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	6	950

f) Listing on Stock Exchanges:

The Equity Shares of the Company continues to be listed at the following Stock Exchanges: -

1) **BSE Ltd.** : Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

2) **National Stock Exchange of India Ltd.** : Exchange Plaza, Bandra - Kurla Complex, Bandra(E), Mumbai - 400051.

Note: Listing Fees have been paid to the aforesaid Stock Exchanges up to F.Y. 2026-27.

g) Suspension from trading:

None of the Security/ies of the Company have been suspended from trading on any of the Stock Exchanges.

h) Dematerialisation of equity shares:

99.87% of the total equity share capital are in dematerialised form with NSDL and CDSL.

i) Registrar & Share Transfer Agents

KFin Technologies Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana. Toll Free no.: 1800-309-4001

j) Share Transfer System

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the year, Stakeholders Relationship Committee meets as and when required to, inter alia, resolve shareholder's grievances/complaints and approve issue of duplicate share certificates whenever required.

k) Distribution of shareholding as on 31st March, 2026

Sr. No.	Category (Shares)	No. of Shareholders	Percentage (%)	No. of Shares	% To Equity
1	1 - 5000	10,261	98.32	22,28,315	8.12
2	5001 - 10000	90	0.86	6,61,489	2.41
3	10001 - 20000	28	0.27	4,06,951	1.48
4	20001 - 30000	16	0.15	3,97,025	1.45
5	30001 - 40000	9	0.09	2,99,944	1.09
6	40001 - 50000	2	0.02	83,232	0.30
7	50001 - 100000	12	0.12	7,74,453	2.82
8	100001 & above	18	0.17	2,26,06,722	82.33
	TOTAL	10,436	100.00	2,74,58,131	100.00

l) Shareholding Pattern as on 31st March, 2026

Sr. No	Particulars	Total Number of Shares	Percentage of Holding
(I)	(II)	(III)	(IV)
(A)	Promoter Holding		
(1)	Indian	76,27,332	27.78%
(2)	Foreign	1,23,97,814	45.15%
	Total (A)	2,00,25,146	72.93%
(B)	Public Shareholding		
(1)	Institutions	0	0
(2)	Non-Institutions	74,32,985	27.07%
	Total (B)	74,32,985	27.07%
	Grand Total (A+B) :	2,74,58,131	100.00

m) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on Equity:
None

n) Foreign exchange risk and hedging activities.

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of hedging instrument match exactly with the terms of the hedged items, and so a qualitative assessment of effectiveness is performed. For full details Refer note no. 43 of the standalone financial statements of the Company.

o) The Details of Utilization of funds raised through Preferential Allotment as specified under Regulation 32 (7A) of LODR as on 31st March, 2026 is as follows:

Sr. No.	Particulars	Amounts in ₹
1.	Amount received on issue of 14,64,414 equity shares of Rs. 10 each @ premium of ₹92.43.	14,99,99,926.02/-
2.	Amount used towards capital expenditure	3,95,46,000/-
3.	Amount used towards working capital	1,30,00,000/-
4.	Balance amount lying in liquid fund and in banks.	9,74,53,926.02/-

p) Credit Rating

The information pertaining to credit rating and changes therein during the year is as follows:

Facilities/Instruments	Date	Rating
Long Term Bank Facilities	31 st October, 2025	Crisil BB/Stable (Reaffirmed)

q) Liquidity

The Company's Equity Shares are traded on Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited.

r) Plant Location

(I) Bangalore: -

1. Near Bagalur Cross, Air Force Station, P.O. Yelahanka, Bangalore - 560 063.
2. No. 9B, 2nd Phase, Bommasandra Industrial Area, Hebbatgudi Village, Anekal Taluka Bangalore - 560 099.
3. No. 107 & 108, 4th 'C' cross, 5th Block, Koramangala Industrial Layout, Bangalore - 560 095.

(II) Gujarat: -

1. A-1, 181/1, GIDC, Umbergaon, Valsad, Gujarat - 396 171.
2. C/2/7, GIDC, Industrial Area, Umbergaon Valsad, Gujarat - 396 171.
3. Plot no. 411, Phase III, GIDC, Umbergaon, Valsad, Gujarat - 396 171.

s) Address for Correspondence:

For Shares held in Physical form:

KFin Technologies Limited

Selenium Tower B, Plot 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Toll Free no.: 1800-309-4001
Email: sanjay.pagar@kfintech.com
Website: www.kfintech.com

For Shares held in Demat Form:

Investor's concerned Depository Participant(s) and/ or KFin Technologies Limited.

For General Correspondence write to:

Mr. Kumar Iyer
VP - Legal & Company Secretary
Zodiac Clothing Company Limited
Nyloc House, 254, D-2, Dr. Annie Besant Road,
Worli, Mumbai 400 030.
E-mail: cosecy@zodiacmtc.com

t) Disclosure in relation to recommendation made by any Committee which was not accepted by the Board:

The Board has accepted all the recommendations made, if any, by various committees of the Board during the financial year 31st March, 2026.

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

During the FY 2025-26, the Company has not granted any Loans and advances in the nature of loans to firms/companies in which directors are interested.

v) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

During the FY 2025-26, the Company does not have a material subsidiary.

w) Certificate from Company Secretary in Practice on Debarment or Disqualification of Directors

As required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing to act as director of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority is attached as Annexure A to this Report.

sd/-

Salman Yusuf Noorani
Chairman & Managing Director
DIN: 00068423

sd/-

Mohamed Awais Jehangir Noorani
Executive Director-Exports
DIN: 00951424

Place: Mumbai
Date: 28th May, 2026

CEO AND CFO CERTIFICATION UNDER REGULATION 17(8) OF SEBI LODR

We, S. Y. Noorani, Chairman & Managing Director and B. Mahabala, Chief Financial Officer (CFO) to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2026 of Zodiac Clothing Co. Ltd., and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) 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 the Financial Reporting and that we have evaluated the effectiveness of the Internal Control system of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- 1) significant changes in Internal Control over Financial Reporting during the year,
 - 2) significant changes in accounting policies during the year if any, and that the same have been disclosed in the notes to the financial statements; and
 - 3) instances of significant fraud, if any, 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.

sd/-

Salman Yusuf Noorani

Chairman & Managing Director

DIN: 00068423

sd/-

B. Mahabala

Chief Financial Officer (CFO)

Place: Mumbai

Date: 28th May, 2026

Annual Declaration by the Chairman & Managing Director

I do hereby declare that pursuant to Schedule V(D) read with the Regulation 34(3) of the SEBI LODR, all Board members and senior management personnel of the Company have affirmed with the Code of Conduct and Ethics for the year ended 31st March 2026.

sd/-

Salman Yusuf Noorani

Chairman & Managing Director

DIN: 00068423

Place: Mumbai

Date: 28th May, 2026

Independent Auditors' Certificate on Corporate Governance

To the Members of Zodiac Clothing Company Limited

We the Statutory Auditors of Zodiac Clothing Company Limited (the 'Company') have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2026 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2026, as applicable.

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

For MSKA & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

Firm Registration No. 105047W/ W101187

Sd/-

Ankush Agrawal

Partner

Membership No.159694

UDIN: 26159694ALLIBA9502

Place: Mumbai

Date: 28th May, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Zodiac Clothing Company Limited
Nyloc House 254, D-2,
Dr. Annie Besant Road, Worli
Mumbai 400030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Zodiac Clothing Company Limited having CIN: L17100MH1984PLC033143 and having registered office at Nyloc House 254, D-2, Dr. Annie Besant Road, Worli, Mumbai - 400 030 Maharashtra, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	Designation	DIN	Date of appointment in Company
1.	Mohamed Awais Jehangir Noorani	Whole-time Director	00951424	01/04/2024
2.	Adnan Salman Noorani	Whole-time Director	08689050	01/04/2024
3.	Vaman Madhav Apte	Independent Director	00003651	13/08/2019
4.	Salman Yusuf Noorani	Chairman & Managing Director	00068423	31/01/2009
5.	Subramaniam Ramachandran Iyer	Non-Executive, Non-Independent Director	00580437	22/06/2002
6.	Naushad Darius Forbes	Independent Director	00630825	29/03/2018
7.	Dilip Jayantilal Thakkar	Independent Director	00007339	24/07/2024
8.	Ahmad Javed	Independent Director	08668304	24/07/2024
9.	Mohamad Musaед Abu Nasr Noorani	Non-Executive Director	06955214	12/11/2025
10.	Djena Bakhtiar Sunavala	Independent Director	03481614	12/09/2025

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

For **ROBERT PAVREY & ASSOCIATES LLP**
Company Secretaries

sd/-

Prerna Jadhav
Partner

Place: Mumbai
Dated: May 25, 2026

ACS No.: 34667 C.P. No.: 14036
UDIN: A034667H000464294

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. ECONOMIC OVERVIEW:

The global economy demonstrated resilience in 2025, growing at 3.4% despite heightened trade tensions and persistent policy uncertainties. Growth was supported by technology-led investment, accommodative financial conditions and targeted policy measures across major economies.

The introduction of country specific reciprocal tariffs by the USA created uneven duty barriers across key apparel exporting nations and reshaped global trade flows. Elevated tariffs and geopolitical risk accelerated a structural shift in sourcing away from China; by mid-2025, Vietnam had emerged as the leading apparel supplier to the US, reflecting a broader diversification trend among global brands. Higher import duties, combined with cost pressures across logistics and raw materials, fed through to higher apparel and footwear prices, influencing inflation dynamics not only in the USA but also across retail markets globally.

The escalation of conflict in West Asia has since cast a shadow over the global outlook. With the uncertainty surrounding the Strait of Hormuz and damage to critical production facilities in a region critical to energy supply, the conflict raises a serious risk of global energy shortage due to the disruption of nearly 20% of the world's oil and gas. This conflict has strained the global economy, primarily through energy shocks and trade disruptions. While the IMF has recently downgraded its global growth forecast for 2026 to 3.1% (down from 3.4%), the full extent of the damage is still unfolding. Rising energy costs have acted as a sudden "tax" on global income, driving up the prices of almost all goods. The IMF raised its 2026 global inflation forecast to 4.4%, driven by surging oil, gas, and fertilizer costs. Because the Gulf exports 30% of global urea, prices for nitrogen fertilizers have doubled, sparking fears of a long-term global food crisis. The conflict has also forced a massive rerouting of global trade, increasing costs and transit times.

Looking ahead, the global outlook remains broadly stable, albeit cautious. The structural drivers, particularly sustained investment in technology and AI along with continued policy support is expected to support global economic stability. Policymakers shall need to encourage the adoption of new technologies and also ensure adequate investment in skill development to support a smooth labour market transition.

India's economy continued to outperform most major economies in FY 2025-26, delivering real GDP growth of 7.7% (second advance estimates, National Statistical Office), underpinned by robust domestic demand, sustained government capital expenditure and steady private investment. The macroeconomic environment was complex - shaped by higher tariffs, rising trade protectionism and geopolitical tensions - but India's fundamentals held firm.

Private consumption remained the principal growth engine, led by discretionary spending and a broad premiumisation trend that has pushed demand for quality branded products well beyond the metros into Tier-2 and Tier-3 cities. Structural tailwinds - a young population (median age 28 years), rapid urbanisation and deep digital penetration -

continue to underpin a large and growing consumer base. Digital transactions and e-commerce have become integral to daily consumption: UPI volumes exceeded 20 billion transactions per month, underscoring the depth of India's digital commerce infrastructure.

With inflation easing to multi year lows, the Reserve Bank of India adopted a more accommodative stance, cutting policy rates by a cumulative 125 basis points during 2025 to stimulate activity, ease liquidity conditions and support credit growth. Looking ahead the IMF and the RBI project India's GDP growth at about 6.5 – 6.8% for the FY 2026-27, keeping India the fastest growing major economy and well above the roughly 3% projected global growth rate.

2. INDUSTRY STRUCTURE & DEVELOPMENT

The textile and apparel sector remains a key pillar of the Indian economy, contributing around 2.3% of GDP and providing employment to over 45 million people. Robust domestic demand, favorable demographics and policy support sustained activity across the value chain. The Union Budget 2025-26 provided direct tax relief to the middle-income segment, and the phased rollout of GST 2.0 supported household spending and MSME activity

India's medium term prospects remain positive. The country is on track to become the world's third largest economy by 2030. Proposed and recently concluded trade pacts – notably the prospective India –EU FTA (covering over 99% of exports) and the India-UK FTA should help enhance market access and export competitiveness for Indian manufacturers. Continued focus on manufacturing, infrastructure, digitalisation and supply chain diversification is likely to strengthen India's role as a major manufacturing and consumption hub.

India is the world's fourth largest retail market, valued at approximately Rs. 90-95 lakh crore (~USD1 trillion) in 2025 and projected to reach Rs. 210-215 lakh crore (~USD 2.3 trillion at current exchange rates) by 2035. The sector is undergoing a profound structural transformation, wherein organized retail is steadily gaining share from informal channels driven by rising disposable incomes, growing preference for branded products and the increased prevalence of modern retail infrastructure such as malls, mixed use developments and airport retail hubs. Organised retail penetration is estimated at about 15-18% presently and is expected to see sustained growth over the next decade.

India's fashion and lifestyle sector is undergoing a rapid transformation driven by digitalisation, evolving consumer preferences and greater global exposure. The market was valued at around Rs.12 lakh crore (approx. USD 128 Billion) in FY 2025-26 and is projected to reach about Rs. 19 lakh crore (approx. USD 201 Billion) by FY 2030 implying a CAGR of about 12% over this period. The organised segment is expected to grow faster than the unorganised segment, with projected CAGRs of roughly 15% and 9% respectively over FY 2025-30. Indian consumers are prioritizing value, experience and convenience; brands that combine trust, scale and agility are best placed to gain

market share. To this end, investments in Omni-channel capabilities, sustainability, supply chain responsiveness and data-driven engagement will be critical.

Global demand conditions are expected to remain cautious in the near future with brands and retailers continuing to place uneven and short term orders. Lingered macroeconomic uncertainty and muted consumer spending is likely to prevent a sharp rebound, keeping volumes volatile across markets. The ability to respond quickly to fluctuating order volumes and buyer requirements will be critical. Flexible production planning, agile sourcing and adaptable supply chains will be key success parameters in this environment.

The Asia-Pacific region accounts for an estimated 65-70% of global garment output, supported by cost advantages and integrated supply chains. India consolidated its position as the world's third-largest garment exporter, after China and Vietnam. From April to January of FY 2025-26, India's readymade garment exports reached USD 13.1 billion, up 1.6% year-on-year. While the August 2025 US tariff measures weighed on export momentum in the second half of the year, the sector's resilience was supported by market diversification and steady demand from other regions. The prospective India-EU FTA could further boost the export competitiveness of Indian Garment exporters.

3. (A) OPPORTUNITIES:

The global apparel market was estimated at USD 1.84 trillion in 2025 and is expected to reach USD 2.3 trillion by 2030, growing at a CAGR of around 4%. In 2025, global textile and apparel trade was estimated at USD 900 billion, with apparel accounting for approximately 60% of that total. With competitive manufacturing capabilities, a strong raw material base and supportive government policies, India's textile and apparel sector has a significant opportunity to grow its export share in global apparel demand.

India's textile and apparel market is estimated at USD 194 billion in FY 2025-26, with the domestic market contributing around 80% of total industry size and exports the remainder. Within the domestic segment, apparel accounts for approximately 75% of revenues. The domestic textile and apparel market has expanded from USD 106 billion in FY 2019-20 to USD 157 billion in FY 2025-26, a CAGR of around 7%. The Ministry of Textiles has set an ambitious target of USD 250 billion by FY 2030-31, which will require growth to accelerate to approximately 9% per annum.

India's textile and apparel exports reached USD 37 billion in FY 2025-26, representing a CAGR of approximately 1% since FY 2019-20. Apparel accounts for approximately 45% of this total. The Ministry of Textiles has set an export target of USD 100 billion by FY 2030-31, which will require an accelerated growth rate of around 17% per annum from current levels.

India's e-commerce market reached approximately USD 211 billion in 2025, growing at 12.5%, and is expected to reach USD 327 billion by 2029, driven by rising online shopping demand and increased adoption of digital payments. Fashion and clothing accounts for the highest share of estimated

online retail spend, with growth increasingly driven by consumers in Tier-2 and Tier-3 cities.

Rising aspirations and higher discretionary spending are driving demand for branded and premium apparel across formal and casual wear categories. The rapid growth of organised retail is enhancing brand visibility and creating new growth opportunities. The increasing emphasis on sustainable materials and responsible sourcing is also influencing consumer preferences and procurement strategies. The rising demand for value added fabrics is supporting premium positioning across domestic and export markets. Global brands diversifying sourcing beyond China are positioning India - with its integrated supply chain and robust raw material base - as a preferred manufacturing alternative.

The Company's strong in-house manufacturing capabilities, well-established distribution network and fully integrated e-commerce platform provide a compelling competitive position. The Company's continuing strategy to prioritise brand-led full-price sell-through and superior quality over margin-diluting discounting continues to demonstrate its effectiveness.

To keep pace with unprecedented growth of orders in the DTC online business, ZODIAC has migrated to a modern, frictionless, fully integrated e-commerce platform to harness the next level of digital growth. This new platform powers real-time inventory management, use of AI & machine learning in merchandising, marketing and analytics. As a result, the boundaries between the physical shelf and the digital cart have disappeared - in-line with the expectations of the modern Indian consumer, for whom on-demand services, AI-driven personalisation, real-time inventory visibility, seamless digital payments and rapid fulfilment have become non-negotiable.

(B) Threats:

Global apparel demand remained muted as consumers across the USA, Europe and parts of Asia prioritised essentials over discretionary spending, leading brands to moderate order volumes and delay capacity expansion. The key near-term risk continues to be the West Asia conflict: higher energy prices, increased freight costs and supply-chain disruptions could raise input costs and weigh on inflation and consumer sentiment. However, unless the conflict escalates materially, it is unlikely to alter India's long-term growth trajectory, which continues to be supported by resilient domestic consumption and investment momentum.

The industry faces intense competition from global manufacturing hubs - China, Vietnam and Bangladesh - which benefit from scale and cost advantages. Cotton prices remain susceptible to fluctuations arising from weather, crop cycles and geopolitical disruptions, which can drive up input costs and compress margins.

Implementation of the new labour codes is expected to increase statutory employment costs and compliance requirements across the industry. Stricter environmental regulations for water- and chemical-intensive processes may add further compliance costs; adapting to evolving

regulatory standards will require sustained investment across the value chain.

Consumer journeys are no longer linear: consumers may discover a product on social media, check availability online, try it in-store and purchase through an app. Omni-channel integration is therefore critical. The broader structural shift towards digital commerce, AI-led product discovery and sustainability-led innovation represents both a challenge and an imperative for established brands.

US tariff policy has created a headwind for Indian apparel exports: while overall import growth ran at 9% in January-October 2025 versus the prior year, monthly data reveals a sharp reversal following the August 2025 tariff measures.

4. SEGMENT / PRODUCT WISE PERFORMANCE:

The Company is exclusively engaged in the business of clothing and clothing accessories and in the context of the Indian Accounting Standard (Ind AS 108) constitutes one single operating segment. The Company's three segment leading brands Zodiac, Zod and z3 are well established and cater to diverse customer needs.

The geographical segment is identified and given below:

Year Ended 31st March, 2026 - On a Consolidated Basis

(Unit: ₹ lakhs)

Particulars	India	Rest of the World	Total
Segment Revenue (Net)	7,167.81	8,983.55	16,151.36
Carrying Cost of Segment Non-Current Asset	15,176.21	971.96	16,148.17

5. OUTLOOK:

Global growth over the next two years is expected to remain broadly stable, albeit slightly slower, with expansion projected at 3.1% in 2026 and 3.2% in 2027. Inflation and geopolitical risks remain the key watch points. India continues to be well placed in this context: real GDP growth in FY 2025-26 is estimated at 7.7%, and the RBI projects 6.6% for FY 2026-27 — keeping India the fastest-growing major economy despite continuing global uncertainty. Growth momentum has been led by private consumption and investment, with services remaining strong and manufacturing showing improvement.

India however, continues to remain well positioned in this global context. This has been possible mainly due to a strong economic base and relatively limited dependence on external demand. Real GDP growth in FY 2025-26 is estimated to be 7.7% with a March quarter growth of around 7.8%. The RBI's FY 2026-27 projection of 6.6% indicates a continued resilience despite the continuing global uncertainty. The growth momentum has been mainly led by private consumption and investment, with services remaining strong, manufacturing showing improvement. Steady public investment, improved business activity and policy support through personal tax reliefs and GST related

changes and continued formalisation have further helped demand creation. Rising household spending, improved employment conditions, growing aspirations and deeper penetration beyond large metros are expanding the consumer base. While demand may remain uneven in the short term, the medium term consumption outlook remains fairly positive. The main short term risk continues to be the West Asia conflict, resulting in higher energy prices, increased freight costs and supply chain disruptions, which is likely to increase input costs and weigh on inflation and consumer sentiment in the short term. However, unless the conflict escalates materially or remains prolonged, it is unlikely to alter India's long term growth story due to continuing resilient domestic consumption and investment momentum.

The global apparel market is estimated at USD 1.84 trillion in 2025, with growth of approximately 3.3% expected in 2026. Asia-Pacific remains the largest regional market, accounting for 40.8% of global apparel revenue in 2025. In the longer term, the global apparel market is projected to reach USD 2.54 trillion by 2033, a CAGR of 4.1% for 2026-33. Near-term growth is expected to be steady, with value-conscious consumers exerting continued caution.

Early signs of recovery are emerging in the Indian apparel industry despite near-term softness. The domestic apparel retail market is estimated at around Rs 10 lakh crore in FY 2025-26 and projected to reach Rs 14 lakh crore by FY 2029-30, growing at a CAGR of 9%. Rising household incomes, growing fashion consciousness and an increasing preference for branded products support a positive medium-term consumption outlook, with India's expanding affluent and upper-middle-class population driving demand across premium and aspirational segments.

Across segments, Indian consumers continue to demand quality and design comparable to international standards. The inescapable influence of social media, combined with rising disposable incomes, is driving demand for products and services of international quality at relevant Indian price points.

Zodiac, with its diversified brands Zodiac, z3 and Zod, seeks to address unique customer needs across categories by offering lifestyle propositions relevant for everyday life, with emphasis on quality, relevance and value. With strong supply-chain capability, disciplined retail expansion and digital integration, the Company is well positioned to capture the next phase of growth in India's apparel market. The Company ended the year with 71 stores across 37 cities. Zodiac's brands are positioned at the premium end of the segment. The Company controls the entire gamut of operations from fabric sourcing, manufacturing and retail thereby ensuring a high quality product. Both brick-and-mortar stores as well as the online store are completely owned and operated by the Company.

Initiatives from the previous year continued to build on the growing market for premium menswear:

Principe — Our Made-to-Order Programme: Following initial success at select stores, Principe has been extended to over half the stores in the Zodiac chain. While customised shirts represent the bulk of orders, stores are seeing growing

demand for made-to-order bandhgalas, trousers and jackets.

Carletti: The Company's super-premium ready-to-wear shirts, available exclusively at Zodiac's flagship stores, received an overwhelming customer response. Crafted from single 100s count Italian-woven Egyptian Giza 87 cotton, customers have described Carletti shirts as "feather light."

Egyptian Giza Cotton Shirts: Zodiac's Barboni and Vivace ranges were strengthened with the addition of Montefalco (structured shirts in classic colours) and Dolcetto (in dark hues).

Zodiac Inner Wear: Launched in a three-piece pack, the range has seen strong repeat purchases. A single-piece pack has since been introduced. The product is crafted from 94% Supima cotton blended with 6% Mobilon yarn, reinforcing the Company's commitment to comfort, quality and innovation.

ZOD! Club Wear: A flurry of new shirt launches in technofabrics — solid colours in high-gloss satins and four-way stretch, alongside prints in high-quality viscose.

z3 Relaxed Luxury: A range of striped shirts in cotton crepe for summer, which were a runaway success.

6. RISKS AND CONCERNS:

The Company has identified key risks to include fluctuation in raw material prices, weak demand, increased global and local competition, currency fluctuations and sales channel disruptions. In addition, regulatory risks include changes in taxation regime, government policies with respect to textiles and clothing, pollution control, industrial relations issues & failure to comply with regulatory provisions. Rising interest rates and unwarranted blockage of funds in GST refunds are another significant risk. A Company-wide awareness of risk management policies and practices is being inculcated to mitigate the adverse effect of foreseeable risks on the operating results.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company's internal control systems, which are supplemented by an exhaustive internal audit (by an independent audit firm reporting directly to the Audit Committee), which is regularly subjected to in-depth involvement of the management. Internal Audit covers the various functions, processes and other activities, including own retail operations of the Company. Transactions are authorised, recorded and reported accurately and subjected to audit as well. The system of internal controls also ensures that all assets are safeguarded, insured and protected against loss. The internal control systems are designed to ensure that the financial statements are prepared based on reliable information. The reports presented by internal auditors are reviewed by the audit committee on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. The committee maintains constant dialogue with statutory and internal auditors to make sure that internal control systems are operating effectively.

8. COMPANY'S FINANCIAL PERFORMANCE:

(₹ in lakhs)

	2025-26	2024-25
Total Revenue from Operations (Net)	16012.22	17291.47
Profit/(Loss) Before Taxation	(2991.04)	(3450.43)
Provision for Taxation:		
Current Tax	-	-
Deferred tax Charge/(Credit)	124.77	580.66
Tax in respect of earlier years	-	-
Profit/(Loss) After Taxation	(3115.81)	(4031.09)
Other Comprehensive Income / (Loss)	(586.04)	(333.15)
Total Comprehensive Income / (Loss) for the year	(3701.85)	(4364.24)

Operational Revenue & Profits:

EBIDTA decreased in March, 2026 due to the continued challenges arising out of the volatile macro-economic environment, supply chain disruptions and geopolitical unrest most notably the ongoing war in Ukraine and the recent conflict in Gaza and Israel. Despite this, the Company continues to remain focused on executing its strategic roadmap, reducing expenses and building on the foundations that we have laid to spur our future growth.

The company continues its focus on expanding its digital presence and operational efficiency through technology, thereby substantially improving the company's sales through this channel.

All this should result in increased EBIDTA, going forward.

During the Year: The Company is in compliance with the Code of Conduct for Prevention of Insider Trading formulated in terms of provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

9. HUMAN RESOURCES DEVELOPMENT/ INDUSTRIAL RELATIONS:

The Company recognizes the need of continuous growth and development of its employees to meet the challenges posed by a rapidly growing consumer facing organization, besides fulfilling their own career path objectives. Consequently, the role of Human Resources continues to remain vital and strategic to the Company.

The Company considers its employees as the most important asset and integral to its competitive position. It has a well-designed HR policy that promotes a conducive work environment, inclusive growth, equal opportunities

and competitiveness and aligns employees' goals with the organization's growth vision. Its human resource division plays a crucial role to build a strong and talented workforce. It provides opportunities for professional and personal development and implements comprehensive employee engagement and development programmes to enhance the productivity and skills of its employees.

Most importantly, it places great emphasis on eliminating all forms of discrimination in terms of employment and professional activities (gender, age, race, political affiliation, religion, among others). It pays special attention to professional equality, gender equality, the employment of seniors and young people, the employment of people with disabilities.

Talent and culture are among the key building blocks in shaping us into a resilient and sustainable organization. We will continue to focus on defined strategic areas to leverage the potential of our human capital. As of 31st March, 2026, the Company's strength stood at 968 employees.

10. STANDALONE KEY FINANCIAL RATIOS:

Particulars	As at March 31, 2026	As at March 31, 2025	Detailed explanation (if change is 25% or more)
Debtors Turnover Ratio	8.15	7.94	-
Inventory Turnover Ratio	0.95	1.18	-
Interest Coverage Ratio	0.30	-0.81	The Change in ratio compared to previous year is due to increase in EBITDA.
Current Ratio	1.05	1.15	-
Debt Equity Ratio	0.68	0.52	The Change in ratio compared to previous year is due to increase in Debt.
EBITDA Margin	1.92 %	-3.48 %	The Change in ratio compared to previous year is due to decrease loss in the year.
Operating Profit Margin	62.53 %	53.78 %	-
Net Profit Margin	-9.46 %	-21.80 %	The Change in ratio compared to previous year is due to decrease loss in the year.
Return on Net Worth	1.83 %	-3.20 %	The Change in ratio compared to previous year is due to decrease loss in the year.
Return on Average Capital Employed	-7.51 %	-9.73 %	The Change in ratio compared to previous year is due to decrease loss in the year.

11. CAUTIONARY STATEMENT:

Statements in the report on Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those express or implied. Important factors that could make a difference to the Company's operation include global demand-supply conditions, finished goods prices, raw materials cost and availability, changes in Government regulations and tax structure, economic development within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations in India, trade agreements, especially with the EU and the US.

The Company assumes no responsibility in respect of forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, Information or events.

For and on behalf of the Board of Directors

sd/-
Salman Yusuf Noorani
Chairman & Managing Director
DIN: 00068423

sd/-
Mohamed Awais Jehangir Noorani
Place: Mumbai Executive Director- Exports
Date: 28th May, 2026 DIN: 00951424



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZODIAC CLOTHING COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Zodiac Clothing Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Sr. No.	Key audit matter	How the key audit matter was addressed in our audit
1.	Recoverability of deferred tax assets (Refer Note 35 to the Standalone Financial Statements) The carrying value of deferred tax assets (net) is Rs. 1,029.45 lakhs as at March 31, 2026. Deferred tax assets are recognised on unabsorbed depreciation and other deductible temporary differences as it is considered to be recoverable based on the Company's projected future taxable income, in line with Ind AS 12-Income Taxes. We considered this as a Key Audit Matter due to uncertainties and significant judgement required by the Management in preparation of projected future taxable income considering the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer.	Our audit procedures with respect to this matter included, but were not limited to, the following: • Obtained an understanding, evaluated design and operating effectiveness of the relevant key controls over recording and review of deferred tax at each reporting date. • Reviewed the Company's accounting policy in respect of recognizing deferred tax asset on temporary differences, unabsorbed business loss and unabsorbed depreciation. • Evaluated the judgements and assumptions made by the Management in determining the projected future taxable income for reasonableness. • We tested the computation of the amounts recognized as deferred tax assets and assessed the appropriateness of tax rate applied to the projected future taxable income. • Evaluated the competence, capabilities and objectivity of the external registered valuer engaged by the Management. • We engaged our valuation experts to assess the appropriateness of the valuation methodology, evaluate the key underlying assumptions, and verify the accuracy of the input data (such as description, area) used in the valuation report of the immovable properties. • Reviewed the adequacy of disclosures made in the Standalone Financial Statements with regards to deferred taxes.

Sr. No.	Key audit matter	How the key audit matter was addressed in our audit
2.	Assessment of carrying value of property, plant and equipment (Refer to Note 4(a) in the Standalone Financial Statements) The carrying value of Assets is Rs 7,523.45 lakhs as at March 31, 2026, which is significant to the standalone balance sheet. The Management has assessed whether there are any indications for impairment of assets considering internal and external sources of information, as per Ind AS 36 Impairment of Assets. For the purposes of impairment testing, the carrying value of the cash generating unit (CGU) was compared to the recoverable amount of CGU. The Company has applied fair value less costs of disposal method in determining the recoverable value of CGU. In this connection, the Management has engaged an external registered valuer to determine the fair value of immovable properties and, the fair value of other assets was determined based on management's judgement and estimates. Based on the assessment, the Management has concluded that no impairment was required as of March 31, 2026. Considering significant carrying value of Assets, involvement of valuation expert, judgment and estimates made by Management, we have considered this as a Key Audit Matter.	We have performed audit procedures including the following: • Obtained an understanding, evaluated design and operating effectiveness of the relevant key controls relating to impairment assessment including determining recoverable value of Assets. • Assessed whether the Company's identification of CGU is appropriate. • Evaluated the competence, capabilities and objectivity of the external registered valuer engaged by the Management for valuation of immovable properties. • We engaged our valuation experts to assess the appropriateness of the valuation methodology, evaluate the key underlying assumptions, and verify the accuracy of the input data (such as description, area) used in the valuation report of the immovable properties. • Evaluated the reasonableness of assumptions applied by management, in determining the fair value of other assets. • Performed sensitivity analysis over the key assumptions, to assess the potential impact on impairment results and the range of possible outcomes of recoverable value of Assets. • Reviewed the adequacy of disclosures made in the Standalone Financial Statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Director's Report but does not include the Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information 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.

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

Responsibilities of Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

- (g) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 37 to the Standalone Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of its knowledge and belief, 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, as on the date of this audit report, 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard 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 (1) and (2) above, contain any material mis-statement.

- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used two accounting software systems to maintain its books of account which have a feature for recording audit trails (edit logs) facility, except that no audit trail feature was enabled at the database level in respect of one accounting software to capture direct data changes, as explained in Note 48 to the Standalone Financial Statements.

Further, where enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting softwares. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting softwares. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

- 3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates LLP (Formerly known as M S K A & Associates)**

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

sd/-

Ankush Agrawal

Partner

Membership No. 159694

UDIN: 26159694AEREFX8921

Place: Mumbai

Date: May 28, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the year ended March 31, 2026 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.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/101187W

sd/-

Ankush Agrawal

Partner

Membership No. 159694

UDIN: 26159694AEREFX8921

Place: Mumbai

Date: May 28, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a)

A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, plant and equipment and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of

the Company and the nature of its assets. Pursuant to the programme, a portion of property, plant and equipment and right of use assets have been physically verified by management during the year. 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 properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in lakhs)	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
Leaschold land pertaining to factory at Umbergaon	1.69	Merino Knitting Industries	None	Since August 2003	Acquired pursuant to scheme of amalgamation. As informed by management, it has initiated the process of getting the name transferred in Company's name.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment including right-of-use-assets or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of

such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) During any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores rupees, in aggregate from Banks on the basis of security of current assets. Refer note 24 to the Standalone Financial Statements.

Based on the records examined by us in the normal course of audit of the Standalone Financial Statements, quarterly returns / statements filed with Banks are not in agreement with the books of accounts of the Company. Details of the same are as below.

(₹ in lakhs)

Quarter ended	Class of financial statement area	Amount as per books of accounts	Amount as per quarterly statement	Discrepancy (Refer note below*)
Jun-2025	Amount comprises of revenue from operations, trade receivables, trade payables and borrowings	13,603.57	10,987.80	2,615.05
Sep-2025		17,204.61	13,360.68	3,843.93
Dec-2025		22,570.19	19,033.28	3,536.91

*Note - As explained in Note 46(c) of the Standalone Financial Statements, the return/ statement for the quarter ended March 31, 2026 is submitted by the Company on provisional basis. Further, the amounts reported in the quarterly statements submitted to the banks are lower than the balances reflected in the unaudited books of account. Management has stated that this approach was adopted to comply with the reporting requirements prescribed by the banks under the sanction letters. However, we have not independently evaluated or verified the rationale provided by management.

Further, during any point of time of the year, the Company has not been sanctioned working capital limits from financial institutions, on the basis of security of current assets.

iii.

- (a) According to the information and explanation provided to us, the Company has not provided guarantees or security or granted any loans or advances in nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. However, during the year, the Company has granted interest free loans to ten employees amounting to Rs. 14.57 lakhs. The Company has not made investment in firms, limited liability partnership or any other parties during the year.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of loans made to employees during the year, prima facie, are not prejudicial to the interest of the Company.
- (c) In case of the loans granted to employees, schedule of repayment of principal have been stipulated and the borrowers have been regular in the repayment of the principal.
- (d) 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 amounts overdue for more than ninety days in respect of the loans granted to employees of the Company.

(e) According to the information explanation provided to us, the loan has not fallen due during the year ended March 31, 2026. Hence, the requirements under paragraph 3(iii)(e) of the Order are not applicable to the Company.

(f) According to the information and explanation provided to us, the Company has not granted any loans or advances in the nature of loans, including to its employees, promoters or related parties as defined in clause (76) of section 2 of the Act either repayable on demand or without specifying any terms or period of repayment during the year ended March 31, 2026. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Act. In respect of the investments made by the Company, the provisions of Section 186 of the Act have been complied with.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of Act and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2026, which are in the nature of deposits.

vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products and services of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including

goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months

from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-Clause (a) above which have not been deposited as on March 31, 2026 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount demanded (₹ in lakhs)	Amount Paid* (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	13.57	8.66	1997-98	High Court of Bombay
Income tax Act, 1961	Income Tax	67.17	66.43	1999-2000	Deputy commissioner of Income Tax
Income tax Act, 1961	Income Tax	1,536.96	1,230.19	2009-10, 2010-11, 2013-14 and 2014-15	Commissioner of Income Tax (Appeals)

*These amounts are paid/deposited under protest

viii. According to the information and explanations given to us and on the basis of our audit procedures, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year ended March 31, 2026 in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

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.

ix.

- (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company
- (d) According to the information and explanations given to us, and the procedures performed by us, and on

- (e) According to the information explanation 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 an any entity or person on account of or to meet the obligations of its subsidiaries.

- (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 subsidiary companies. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.

x.

- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of further public offer (including debt instruments) during the year ended March 31, 2026. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made

preferential allotment of shares during the year and the requirements of Section 42 and Section 62 of the Act, have been complied with. The amount raised has been used for the purposes for which they were raised except for idle/surplus funds amounting to Rs. 1,140.00 lakhs which were not required for immediate utilization and which have been invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 1,140.00 lakhs, of which Rs 973.65 lakhs was outstanding at the end of the year.

The Company has not made any private placement of shares or convertible debentures (fully, partially or optionally convertible).

xi.

(a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year ended March 31, 2026.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv.

(a) In our opinion and based on our examination, 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 the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year ended March 31, 2026, the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi.

(a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.

xvii. Based on the overall review of Standalone Financial Statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year as below:

Particulars	March 31, 2026 (current year)	March 31, 2025 (previous year)
Cash losses	₹1,853.14 lakhs	₹2,294.70 lakhs

xviii. There has been no resignation of the statutory auditors during the year ended March 31, 2026. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Refer Note 46), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, since the Company has not made average net profits during the three immediately preceding financial years, the Company is not required to spend the amount as prescribed under section 135(5) of the Companies Act, 2013 (or mention 'the Act' if already defined). Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in the report.

For **M S K A & Associates LLP (Formerly known as M S K A & Associates)**
Chartered Accountants
ICAI Firm Registration No. 105047W/101187W

sd/-
Ankush Agrawal
Partner
Membership No.159694
UDIN: 26159694AEREFX8921

Place: Mumbai
Date: May 28, 2026

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Zodiac Clothing Company Limited on the Standalone Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Zodiac Clothing Company Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the

auditor's 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 Standalone Financial Statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

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

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/101187W

sd/-

Ankush Agrawal

Partner

Membership No.159694

UDIN: 26159694AERFX8921

Place: Mumbai

Date: May 28, 2026

WHY ZODIAC MAKES THE BEST SHIRTS

Only The Finest Fabrics

Shirts made from luxurious long staple 2-ply Mercerized cotton, rare "Silk Touch" Egyptian Giza cotton and pure linen woven from European flax.

Range Of Collars

We offer Kent, Cutaway, Contrast, Button Down and the stylish Mandarin or Band collar as options.

Signature Trinity Buttons

Our premium shirts come with trademark genuine Mother-Of-Pearl 3-hole "Trinity" buttons.

Superior Fits

Our shirts are designed with a deeper back yoke for a more comfortable drape. We offer 3 fits to suit diverse body types – Classic, Tailored and Slim.

Choice Of Cuffs

We offer single and double cuffs, both detailed with the finest German interlinings. All our single cuff shirts come with 2 buttonholes to enable the use of cufflinks.

Almost Invisible Stitching

An unmatched 21 stitches per inch for an almost invisible stitch line and maximum strength. Our buttonholes are finished with 120 stitches per inch - almost double the industry standard.



Z O D I A C

FINEST QUALITY CLOTHING

— www.zodiaconline.com —

ZODIAC CLOTHING COMPANY LIMITED
Standalone Balance Sheet as at March 31, 2026
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
I	ASSETS			
1	Non-current assets			
	Property, plant and equipment	4(a)	7,523.45	7,938.47
	Capital work-in-progress	4(b)	-	122.90
	Investment properties	5	1,005.34	1,044.23
	Right-of-use assets	4(c)	5,395.81	4,441.44
	Other intangible assets	6	105.19	96.69
	Financial assets			
	- Investments in subsidiary	7	65.91	65.91
	- Investments	8	2,727.01	3,609.28
	- Loans	9	7.21	12.65
	- Others financial assets	10	862.61	927.85
	Deferred tax assets (net)	35	1,029.45	1,029.45
	Non-current tax assets (net)	35	1,080.33	1,047.73
	Other non-current assets	11	0.18	27.62
	Total Non - Current assets		19,802.49	20,364.22
2	Current assets			
	Inventories	12	6,136.01	6,532.64
	Financial assets			
	- Investments	13	1,203.94	221.15
	- Trade receivables	14	1,823.54	2,106.74
	- Cash and cash equivalents	15	83.56	102.33
	- Bank balances other than cash and cash equivalents	16	0.44	1.11
	- Loans	17	15.20	9.48
	- Other financial assets	18	245.82	348.20
	Other current assets	19	2,395.79	2,809.34
	Total Current assets		11,904.30	12,130.99
	TOTAL ASSETS		31,706.79	32,495.21
II	EQUITY AND LIABILITIES			
1	Equity			
	Equity share capital	20	2,745.81	2,599.37
	Other equity	21	13,017.73	15,366.02
	Total Equity		15,763.54	17,965.39
2	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	- Lease liabilities	4(c)	4,461.53	3,873.01
	- Other financial liabilities	24	67.10	65.97
	Provisions	26	37.83	-
	Other non-current liabilities	25	9.41	12.62
	Total Non-current liabilities		4,575.87	3,951.60
	Current liabilities			
	Financial liabilities			
	- Borrowings	22	4,824.31	4,621.37
	- Lease liabilities	4(c)	1,405.58	931.62
	- Trade payables	23		
	- total outstanding dues of micro enterprises and small enterprises		17.34	14.54
	- total outstanding dues of creditors other than micro enterprises and small enterprises		3,988.22	3,926.92
	- Other financial liabilities	24	406.05	238.98
	Provisions	26	40.43	53.88
	Other current liabilities	25	685.45	790.91
	Total Current liabilities		11,367.38	10,578.22
	Total Liabilities		15,943.25	14,529.82
	TOTAL EQUITY AND LIABILITIES		31,706.79	32,495.21
	SUMMARY OF MATERIAL ACCOUNTING POLICIES	2		

The accompanying notes (1 - 49) are an integral part of these Standalone Financial Statements

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W / W101187

sd/-
Ankush Agrawal
Partner
Membership No. 159694

Place: Mumbai
Date: May 28, 2026

For and on behalf of Board of Directors of
Zodiac Clothing Company Limited
CIN: L17100MH1984PLC033143

sd/-
Salman Yusuf Noorani
Chairman and Managing Director
DIN: 00068423

sd/-
Mahabala Bealthur
Chief Financial Officer

Place: Mumbai
Date: May 28, 2026

sd/-
Mohamed Awais Jehangir Noorani
Executive Director - Exports
DIN: 00951424

sd/-
Kumar Iyer
Company Secretary
Membership No. ACS9600

ZODIAC CLOTHING COMPANY LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2026
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	Year Ended March 31, 2026	Year Ended March 31, 2025
I	INCOME			
	Revenue from operations	27	16,012.22	17,291.47
	Other income	28	1,138.77	1,199.78
	Total Income		17,150.99	18,491.25
II	EXPENSES			
	Cost of materials consumed	29	5,794.73	7,077.08
	Purchases of stock-in-trade		154.89	697.82
	Changes in inventories of finished goods, stock-in-trade and work-in progress	30	49.55	(428.70)
	Employee benefit expenses	31	4,466.95	4,540.93
	Finance costs	32	1,013.45	793.81
	Depreciation and amortisation expense	33	2,285.41	2,012.27
	Other expenses	34	6,377.05	7,248.47
	Total Expenses		20,142.03	21,941.68
III	Loss before tax		(2,991.04)	(3,450.43)
IV	Income tax expenses			
	Current tax		-	-
	Deferred tax charge	35	124.77	580.66
	Total Income Tax Expenses		124.77	580.66
V	Loss for the year		(3,115.81)	(4,031.09)
VI	Other comprehensive (loss) / income			
	(i) Items that will not be reclassified subsequently to profit or loss			
	- Remeasurements of net defined benefit plans	39	(48.20)	47.36
	- Change in fair value of Equity Instruments through other comprehensive income		(524.61)	(431.65)
	- Income tax relating to above items		86.38	46.87
	(ii) Items that will be reclassified subsequently to profit or loss			
	- Net gains on cash flow hedges	43	(138.00)	5.91
	- Income tax relating to above item		38.39	(1.64)
	Other comprehensive (loss) / income for the year, net of tax		(586.04)	(333.15)
VII	Total comprehensive loss for the year		(3,701.85)	(4,364.24)
VIII	Loss per equity share of ₹10 each	38		
	(1) Basic (₹)		(11.85)	(15.51)
	(2) Diluted (₹)		(11.85)	(15.51)
IX	Summary Of Material Accounting Policies	2		

The accompanying notes (1 - 49) are an integral part of these Standalone Financial Statements

As per our report of even date

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W / W101187

For and on behalf of Board of Directors of Zodiac Clothing Company Limited
CIN: L17100MH1984PLC033143

sd/-
Ankush Agrawal
Partner
Membership No. 159694

sd/-
Salman Yusuf Noorani
Chairman and
Managing Director
DIN: 00068423

sd/-
Mahabala Bealthur
Chief Financial Officer

sd/-
Mohamed Awais Jehangir Noorani
Executive Director - Exports
DIN: 00951424

sd/-
Kumar Iyer
Company Secretary
Membership No. ACS9600

Place: Mumbai
Date: May 28, 2026

Place: Mumbai
Date: May 28, 2026

ZODIAC CLOTHING COMPANY LIMITED
Standalone Statement of Cash Flows for the year ended March 31, 2026
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(2,991.04)	(3,450.43)
Adjustments for:		
Depreciation and amortisation expense	2,285.41	2,012.27
Finance costs	1,013.45	793.81
Net unrealised foreign exchange loss / (gain)	203.67	(70.63)
Dividend Income	(10.51)	(6.30)
Investment impairment allowance written back	-	(67.73)
Rental income	(394.84)	(387.87)
Unwinding of discount on security deposits	(47.60)	(45.21)
Interest income	(12.99)	(53.69)
Gain on sale of financial assets	(336.50)	(527.28)
Loss on fair value of financial assets measured at fair value through profit or loss	228.13	302.29
Liabilities no longer required written back	(69.32)	-
Bad debts and advances written off	72.06	119.95
Gain on termination of lease contracts	(64.57)	(65.84)
Net gain on sale of Investment properties	(193.95)	
Net loss on sale/discard of property, plant and equipment	97.68	75.76
Operating loss before working capital changes	(220.92)	(1,370.90)
Adjustments for:		
Decrease in trade and other receivables	790.44	240.14
Decrease / (Increase) in inventories	396.63	(586.23)
(Decrease) / Increase in trade payables and other liabilities	(121.89)	485.08
(Decrease) / Increase in provisions	(23.82)	26.30
Cash generated from / (used in) operating activities	820.44	(1,205.61)
Less: Income taxes paid (net)	(29.99)	53.26
Net cash generated from / (used in) operating activities (A)	790.45	(1,152.35)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment, other intangible assets and movement in capital advances and capital work-in-progress	(361.68)	(294.40)
Purchase of current investments	(1,517.60)	(1,365.53)
Investment in term deposits (net)	(9.26)	(1.76)
Sale proceeds of property, plant and equipment	120.20	5.22
Sale proceeds of investment property (net of incidental expenses)	208.58	-
Interest income	8.56	21.32
Rent income	394.84	387.87
Sale proceeds of non-current investments	447.58	487.57
Sale proceeds of current investments	552.34	3,265.06
Dividend income	10.51	6.30
Net cash (used in) / generated from investing activities (B)	(145.93)	2,511.65
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares (including securities premium)	1,500.00	-
(Repayment) / proceeds from current borrowings	(83.06)	396.01
Proceeds towards loan from directors	784.60	440.00
Repayment of non-current borrowings	-	(258.78)
Repayment of loan from directors	(498.61)	-
Payment of principal portion of lease liabilities	(1,391.97)	(1,145.63)
Interest paid on lease liabilities	(565.72)	(425.28)
Interest paid on others	(408.53)	(352.39)
Net cash used in financing activities (C)	(663.29)	(1,346.07)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(18.77)	13.23
Add: Cash and cash equivalents at beginning of the period	102.33	89.10
Cash and cash equivalents at end of the year (Refer note 15)	83.56	102.33

ZODIAC CLOTHING COMPANY LIMITED
Standalone Statement of Cash Flows for the year ended March 31, 2026
(All amounts are in ₹ Lakhs, unless otherwise stated)

Net debt reconciliation	Year Ended March 31, 2026	Year Ended March 31, 2025
Cash and cash equivalents	83.56	102.33
Current Borrowings (including interest accrued but excluding current maturities of long term debt)	(4,878.52)	(4,639.52)
Lease liabilities	(5,867.11)	(4,804.63)
Total	(10,662.07)	(9,341.82)

Particulars	Cash and Cash equivalents	Lease Liabilities	Non current borrowings (Including interest accrued)	Current borrowings (Including interest accrued)	Total
Net Debt as at March 31, 2024	89.10	(4,559.34)	(258.78)	(3,791.46)	(8,520.48)
Cash flows	13.23	1,145.63	258.78	(836.01)	581.63
Acquisitions - Leases	-	(1,864.68)	-	-	(1,864.68)
Termination - Leases	-	473.76	-	-	473.76
Interest expense	-	(425.28)	(11.63)	(334.99)	(771.90)
Interest paid	-	425.28	11.63	322.94	759.85
Net Debt as at March 31, 2025	102.33	(4,804.63)	0.00	(4,639.52)	(9,341.82)
Cash flows	(18.77)	1,391.97	0.00	(202.94)	1,170.26
Acquisitions - Leases	-	(3,099.06)	-	-	(3,099.06)
Termination - Leases	-	644.61	-	-	644.61
Interest expense	-	(565.72)	0.00	(395.05)	(960.77)
Interest paid	-	565.72	0.00	358.99	924.71
Net Debt as at March 31, 2026	83.56	(5,867.11)	0.00	(4,878.52)	(10,662.07)

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

The accompanying notes (1 - 49) are an integral part of these Standalone Financial Statements

As per our report of even date

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

Firm Registration Number: 105047W / W101187

For and on behalf of Board of Directors of Zodiac Clothing Company Limited

CIN: L17100MH1984PLC033143

sd/-

Salman Yusuf Noorani

Chairman and

Managing Director

DIN: 00068423

sd/-

Mohamed Awais Jehangir Noorani

Executive Director - Exports

DIN: 00951424

sd/-

Ankush Agrawal

Partner

Membership No. 159694

sd/-

Mahabala Bealthur

Chief Financial Officer

sd/-

Kumar Iyer

Company Secretary

Membership No. ACS9600

Place: Mumbai

Date: May 28, 2026

Place: Mumbai

Date: May 28, 2026

ZODIAC CLOTHING COMPANY LIMITED

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

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	Notes	Amount
As at March 31, 2024		2,599.37
Changes in equity share capital	20	-
As at March 31, 2025		2,599.37
Changes in equity share capital	20	146.44
As at March 31, 2026		2,745.81

B. Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income (OCI)			Total
	Securities Premium	Amalgamation Reserve	State Cash Subsidy	Capital Redemption Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	Cash Flow Hedging Reserve	
Balance as at March 31, 2024	10,749.10	8.16	15.84	200.00	2,677.51	4,632.59	1,442.77	4.29	19,730.26
Loss for the year	-	-	-	-	-	(4,031.09)	-	-	(4,031.09)
Remeasurements of defined benefit obligation	-	-	-	-	-	47.36	-	-	47.36
Changes in fair value of equity instruments through other Comprehensive Income (net of tax)	-	-	-	-	-	-	(384.78)	-	(384.78)
Changes in the fair value of hedging instrument (net of tax) (Refer note 43)	-	-	-	-	-	-	-	8.56	8.56
Reclassification to Statement of Profit and Loss (net of tax) (Refer note 43)	-	-	-	-	-	-	(4.29)	(4.29)	(4.29)
Total Comprehensive Loss for the year	-	-	-	-	-	(3,983.73)	(384.78)	4.27	(4,364.24)
Balance as at March 31, 2025	10,749.10	8.16	15.84	200.00	2,677.51	648.86	1,057.99	8.56	15,366.02
Loss for the year	-	-	-	-	-	(3,115.81)	-	-	(3,115.81)
Remeasurements of defined benefit obligation	-	-	-	-	-	(48.20)	-	-	(48.20)
Changes in fair value of equity instruments through other Comprehensive Income (net of tax)	-	-	-	-	-	-	(438.23)	-	(438.23)
Changes in the fair value of hedging instrument (net of tax)(Refer note 43)	-	-	-	-	-	-	-	(91.05)	(91.05)
Reclassification to Statement of Profit and Loss (net of tax)(Refer note 43)	-	-	-	-	-	-	-	(8.56)	(8.56)
Total Comprehensive Loss for the year	-	-	-	-	-	(3,164.01)	(438.23)	(99.61)	(3,701.85)
Transactions with owners in their capacity as owners: Premium Received on Issue of Equity Shares	1,353.56								1,353.56
Balance as at March 31, 2026	12,102.66	8.16	15.84	200.00	2,677.51	(2,515.15)	619.76	(91.05)	13,017.73

The accompanying notes (1 - 49) are an integral part of these Standalone Financial Statements

As per our attached report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W / W101187

sd/-
Ankush Agrawal
Partner
Membership No. 159694

Place: Mumbai
Date: May 28, 2026

For and on behalf of Board of Directors
Zodiac Clothing Company Limited
CIN: L17100MH1984PLC033143

sd/-
Salman Yusuf Noorani
Chairman & Managing Director
DIN: 00068423

sd/-
Mahabala Bealthur
Chief Financial Officer
Place: Mumbai
Date: May 28, 2026

sd/-
Mohamed Awais Jehangir Noorani
Executive Director - Exports
DIN: 00951424

sd/-
Kumar Iyer
Company Secretary
Membership No. ACS9600

1 Background and Operations

Zodiac Clothing Company Limited ('the Company') incorporated in India, having its registered office at Mumbai and manufacturing facilities at Bengaluru, Umbergaon and Mumbai. The Company deals in clothing and clothing accessories.

2 Material accounting policies

(a) Basis of preparation of Standalone Financial Statements

(i) Compliance with Ind AS

The Standalone Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015 (as amended)], and other relevant provisions of the Act.

(ii) Going Concern Assessment

"The Company has incurred losses of ₹ 3,115.81 lakhs and has an accumulated losses of ₹ 2,515.15 lakhs as at March 31, 2026. The Directors of the Company have assessed the Company's liquidity position, including its current year losses and accumulated losses, together with its available financial resources, expected cash flows and business plans. The Board of Directors are confident of the Company's ability to meet its obligation at least for the next twelve months from the balance sheet date as the net current assets increase exceeds its net current liabilities by ₹ 536.92 lakhs. Accordingly, these Standalone Financial Statements have been prepared on a going concern basis.

(iii) Historical cost convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iv) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(v) Rounding off amounts

All amounts disclosed in the Standalone Financial Statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the Standalone Financial Statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

The Company depreciates its property, plant and equipment on a straight line method net of residual values over the useful life in the manner prescribed in Schedule II of the Act, and management believes that useful lives of assets are same as those prescribed in Schedule II of the Act, except for the following class of assets, useful life for which is based on a technical evaluation and taking into consideration nature of Company's business and past experience of usage of such assets:

Description of assets	Useful life followed by the Company	Useful life as prescribed under Schedule II
Buildings	31 Years	30 / 60 Years
Plant and equipment	21 Years *	15 Years *
Furniture and fixtures	16 Years	10 Years
Office equipments	21 Years	5 Years
Computer (including servers)	6 Years	3 - 6 Years
Electrical Installation	21 Years	10 Years

* Based on single shift

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term. Period of lease is either the primary lease period or where the Company as a lessee has the right of renewal of lease, and it is intended to renew for further periods, then such extended period.

The residual values are generally not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is initially recognized at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties, net of residual value are depreciated using the straight-line method over their useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in Schedule II of the Act.

(e) Other intangible assets

Computer software

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method

The Company amortizes intangible assets using the straight-line method over following period:

Nature of intangible asset	Useful life
- Computer Software	6 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(f) Lease

As lessee

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease,

at inception of a contract. 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.

At the date of commencement of the lease, the Company recognises a right-of-use assets ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these leases of short term and low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease. Variable lease payments that depend on sales are recognised in Statement of Profit and Loss in the period in which the condition that triggers those payments occurs.

The lease liability is initially measured at the present value of the future lease payments and payments to be made under reasonably certain extension option are also included in measurement of liability. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. 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.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. The amount on remeasurement of lease liability is adjusted to the right of use asset and any remaining amount is recognised in Statement of Profit and Loss.

Variable Lease Payments

Certain property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores, etc.. Variable lease payments that depend on sales are recognised in Statement of Profit and Loss in the period in which the condition that triggers those payments occurs."

Lease liability and ROU asset have been presented separately on the face of the Balance Sheet and lease payments have been classified as financing cash flows.

As lessor

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(g) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, Bank overdrafts, deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Inventories

Inventories of Raw Materials, Work-in-Progress, Stock-in-trade, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'First-in-First-Out', 'Weighted Average cost' or 'Specific Identification', as applicable.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be utilised are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

Slow-moving, non-moving and defective inventories are identified and wherever necessary, provision is made for such inventories considering various factors such as likely usage, obsolescence etc.

(i) Investment in subsidiary

Investment in subsidiary is recognised at cost (less, impairment, if any), as per Ind AS - 27 'Separate Financial Statements'.

(j) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

(ii) Recognition

Purchases and sales of financial assets are recognised on trade - date, being the date on which the Company commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

*** Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

*** Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

*** Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised as other income in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of financial assets

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

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

(b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(v) Derecognition

"A financial asset is derecognised only when - the Company has transferred the rights to receive the cash flows from the financial asset or - retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised."

(vi) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(k) Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in Statement of Profit and loss.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

Contingent assets disclosed in respect of possible asset that may arise from past event and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events.

(m) Revenue recognition

Sale of goods - Wholesale

Sales are recognised when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transferred to customer and the Company has objective evidence that all criteria for the acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of goods - Retail

The Company operates a chain of retail stores. Revenue from the sale of goods is recognised when the Company sells a product to the customer. Payment of transaction price is generally due immediately when the customer purchases the goods and takes delivery in store.

Service income

Sale of services - Revenue is recognised based on actual service provided at the end of the reporting period as proportion of total service to be provided.

Other operating revenue - Export incentives

Export incentives under various schemes of Government of India are accounted on accrual basis on the basis of exports made and when there is reasonable assurance that the Company will comply with the conditions and incentive will be received.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

Defined Benefits Plan

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in

equity and in the balance sheet.

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

Defined Contribution Plans

The Company pays Provident Fund (PF) contributions, Employees State Insurance Scheme (ESIC) etc., to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

(iii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The obligations are presented as current liabilities in the balance sheet, if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(o) Foreign currency transactions

(i) Functional and presentation currency

The Standalone Financial Statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(p) Derivative and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair

value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of firm commitment transactions (sales orders/purchase orders) (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objectives and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than or equal to 12 months.

Cash flow hedges that qualify for hedge accounting –

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge.

When forward contracts are used to hedge forecast transactions, the Company designates them in entirety as the hedging instrument. Gains or losses relating to effective portion of fair value of forward contracts are recognised in the other comprehensive income in the cash flow hedging reserve within other equity.

When the option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the option contract as the hedging instrument.

Amounts accumulated in equity are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss i.e., when the underlying sales or purchase transaction occurs.

The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Derivative Contracts other than cash flow hedges:

Derivative contracts which are not designated as cash flow hedges, are accounted for at fair value through profit or loss and are included in Statement of Profit and Loss.

(q) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the Standalone Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

(r) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

(s) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, being the Managing Director assesses the financial performance and position of the Company and makes strategic decisions.

(t) Impairment of non-financial assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(u) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

(v) Recent Accounting Pronouncements:

The Ministry of corporate Affairs ("MCA") notified amendments on 7 May 2025 and 13 August 2025 under the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which is effective from annual reporting periods beginning on or after 1 April 2025.

(a) Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement:

The amendments to Ind AS 7 'Statement of Cash Flows' and Ind AS 107 'Financial Instruments: Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Company does not have any supplier finance arrangements during the reporting period.

(b) Amendment to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants:

The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

- a) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- b) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- c) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the standalone financial statements of the Company. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

(c) Amendment to Ind AS 12 – Pillar-Two Tax Reforms

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Company operates.

(d) Amendment to Ind AS 21-Lack of exchangeability

The Amendments introduces requirement to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no

effect on the standalone financial statements of the Company.

The below amendments are notified but not yet effective

Amendment to Ind AS 1 ‘Presentation of Financial Statements’- Classification of Liabilities as current or non-current and non-current liabilities with covenants:

The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

“a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.
b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.
c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

The Company does not expect this amendment to have an impact on its operations or standalone financial statements.

3 Critical estimates and judgements

The preparation of Standalone Financial Statements

requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Standalone Financial Statements.

The areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation (Refer note 39).
- Recoverability of deferred tax assets (Refer note 35).
- Allowance for doubtful debts (Refer note 14 and 43).
- Fair value of Investment properties (Refer note 5)
- Direct tax litigations (Refer note 37)
- Determination of lease term (Refer note 4(c))
- Impairment of non-financial assets (Refer note 2(t))
- Provision for Inventory Obsolescence (Refer note 2(h) and 12)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(a) Property, Plant and Equipment

Gross Carrying Amount	Freehold Land	Buildings	Leasehold Improvement	Plant & Machinery	Furniture & fixtures	Vehicles	Office equipment	Computers	Electrical Installation	Total
Balance as at March 31, 2024	362.47	3,209.34	2,010.83	3,500.65	2,536.93	46.88	649.78	157.18	895.68	13,369.74
Additions	-	86.08	96.89	12.02	17.75	-	0.65	11.61	55.94	280.94
Disposals	-	-	118.58	16.76	37.31	-	3.91	0.38	44.52	221.46
Balance as at March 31, 2025	362.47	3,295.42	1,989.14	3,495.91	2,517.37	46.88	646.52	168.41	907.10	13,429.22
Additions	-	-	116.55	122.90	27.73	-	-	12.31	76.14	355.63
Disposals	-	-	120.43	41.58	53.29	-	10.95	-	48.29	274.54
Balance as at March 31, 2026	362.47	3,295.42	1,985.26	3,577.23	2,491.81	46.88	635.57	180.72	934.95	13,510.31
Accumulated depreciation										
Balance as at March 31, 2024	-	473.06	1,014.83	1,440.02	1,305.75	36.83	273.32	124.96	283.05	4,951.82
Additions	-	80.55	106.71	194.57	200.39	1.24	35.76	9.98	50.21	679.41
Additions	-	-	83.24	13.34	26.74	-	1.44	0.38	15.34	140.48
Balance as at March 31, 2025	-	553.61	1,038.30	1,621.25	1,479.40	38.07	307.64	134.56	317.92	5,490.75
Additions	-	80.91	110.03	192.14	184.70	1.24	35.07	9.69	51.45	665.23
Disposals	-	-	83.48	28.31	41.11	-	4.84	-	11.38	169.12
Balance as at March 31, 2026	-	634.52	1,064.85	1,785.08	1,622.99	39.31	337.87	144.25	357.99	5,986.86
Carrying Amounts										
Balance as at March 31, 2025	362.47	2,741.81	950.84	1,874.66	1,037.97	8.81	338.88	33.85	589.18	7,938.47
Balance as at March 31, 2026	362.47	2,660.90	920.41	1,792.15	868.82	7.57	297.70	36.47	576.96	7,523.45

4(b) Capital Work in Progress

Capital Work in Progress (CWIP) (Refer note iii)	Opening carrying amount	Additions	Disposals	Assets classified as held for sale	Transfer	Closing carrying amount
For the year ended March 31, 2025	1.26	122.90	-	-	1.26	122.90
For the year ended March 31, 2026	122.90	-	-	-	122.90	-

Ageing of CWIP

Capital Work in Progress (CWIP) (Refer note iii)	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	Total
For the year ended March 31, 2025	122.90	-	-	-	122.90
For the year ended March 31, 2026	-	-	-	-	-

Notes:

(i) Refer note 37(ii)(a) for disclosure of contractual commitments for acquisition of Property, plant and equipment.

(ii) Refer note 36 for information on Property, plant and equipment pledged as security by the Company.

(iii) Actual cost of capital projects in progress has not exceeded the estimated cost and the actual timelines for completion of projects has not exceeded the estimated timelines in respect of the amounts reported in 4(b), as at end of each reporting period. Accordingly, completion schedule is not presented. CWIP as at March 31, 2025 majorly comprises of costs directly attributable to Plant & Machinery. There are no projects which are suspended as on March 31, 2026 and March 31, 2025.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(c) Right-of-use assets and leases

This note provides information for leases where the Company is a lessee. The Company leases Land and Building (retail stores). Rental contracts are typically made for periods of 1 year to 9 years, but may have extension options as described in (iv) below.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2026	As at March 31, 2025
Right of use assets		
- Leasehold Land	0.54	0.74
- Buildings	5,395.27	4,440.70
Total	5,395.81	4,441.44

Set out below are the carrying amounts of right-of-use assets recognised and movements during the year:

Particulars	Lease hold Land *	Buildings	Total right of use assets
I. Gross carrying amount			
Balance as at March 31, 2024	2.54	6,474.38	6,476.92
Additions	-	1,934.26	1,934.26
Deductions on disposals	-	767.29	767.29
Balance as at March 31, 2025	2.54	7,641.35	7,643.89
Additions	-	3,099.06	3,099.06
Deductions on disposals	-	2,506.92	2,506.92
Balance as at March 31, 2026	2.54	8,233.49	8,236.03
II. Accumulated depreciation			
Balance as at March 31, 2024	1.60	2,283.33	2,284.93
Additions	0.20	1,270.03	1,270.23
Deductions on disposals	-	352.71	352.71
Balance as at March 31, 2025	1.80	3,200.65	3,202.45
Additions	0.20	1,564.45	1,564.65
Deductions on disposals	-	1,926.88	1,926.88
Balance as at March 31, 2026	2.00	2,838.22	2,840.22
Carrying amount			
Balance as at March 31, 2025	0.74	4,440.70	4,441.44
Balance as at March 31, 2026	0.54	5,395.27	5,395.81

* Refer note 46(n) for immovable properties not held in name of the Company.

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities		
Current	1,405.58	931.62
Non-current	4,461.53	3,873.01
Total	5,867.11	4,804.63

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(c) Right-of-use assets and leases (Contd...)

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amount relating to lease:

Particulars	Note No.	Year Ended March 31, 2026	Year Ended March 31, 2025
Depreciation charge of Right-of-use assets			
- Leasehold Land	33	0.20	0.20
- Buildings	33	1,564.45	1,270.03
		1,564.65	1,270.23
Gain on termination / remeasurement of lease contracts (included in other income)	28	64.57	65.84
Interest expense (included in finance costs)	32	565.72	425.28
Rent			
- Expense relating to short-term leases (included in other expenses)	34	133.65	387.75
- Expense relating to variable lease payments not included in lease liabilities	34	171.58	164.72
		305.23	552.47

The total cash outflow for leases for the year ended March 31, 2026 was ₹2,262.92 Lakhs (March 31, 2025 ₹2,123.38 Lakhs) (including short term and variable lease payments).

(iii) Variable Lease Payments

Certain property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

(iv) Extension and termination options

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

(v) Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended.

For leases of retail stores, the Company considers factors such as historical lease durations, the costs and business disruption required to replace the leased asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

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

5 Investment properties

Particulars	Building	Total
Gross carrying amount		
Balance as at March 31, 2024	1,259.64	1,259.64
Additions	-	-
Deductions on disposals	-	-
Balance as at March 31, 2025	1,259.64	1,259.64
Additions	-	-
Deductions on disposals	24.43	24.43
Balance as at March 31, 2026	1,235.21	1,235.21
Accumulated depreciation		
Balance as at March 31, 2024	191.16	191.16
Additions	24.25	24.25
Deductions on disposals	-	-
Balance as at March 31, 2025	215.41	215.41
Additions	24.26	24.26
Deductions on disposals	9.80	9.80
Balance as at March 31, 2026	229.87	229.87
Net carrying amount		
Balance as at March 31, 2025	1,044.23	1,044.23
Balance as at March 31, 2026	1,005.34	1,005.34

Note:

(i) Amounts recognised in Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2026	As at March 31, 2025
Rental income derived from investment properties	385.84	378.87
Direct operating expenses (including repairs and maintenance) of investment properties	10.70	10.25
Income arising from investment properties before depreciation	375.14	368.62
Depreciation (Refer note 33)	24.26	24.25
Income arising from investment properties (Net)	350.88	344.37

(ii) Premises given on operating lease:

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between 1 years to 9 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable in respect of non-cancellable leases at the Balance Sheet date is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
For a period not later than one year	39.32	37.44
For a period later than one year and not later than five years	16.71	56.03
For a period later than five years	-	-

(iii) Fair value

Particulars	Investment Properties
	Building
As at March 31, 2025	6,461.22
As at March 31, 2026	6,775.66
Significant Estimates:	
Estimation of fair value	
The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in active market for similar properties.	
The fair valuation of investment properties has been determined by registered independent valuers. The main inputs used are the prevailing market rates and recent sale of similar properties, etc. The fair value measurement is categorised in level 3 fair value hierarchy.	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

6. Intangible assets

	Computer Software
Gross carrying amount	
Balance as at March 31, 2024	633.72
Additions	21.26
Disposals	-
Balance as at March 31, 2025	654.98
Additions	39.77
Disposals	-
Balance as at March 31, 2026	694.75
Accumulated amortisation	
Balance as at March 31, 2024	519.91
Additions	38.38
Disposals	-
Balance as at March 31, 2025	558.29
Additions	31.27
Disposals	-
Balance as at March 31, 2026	589.56
Net carrying amount	
Balance as at March 31, 2025	96.69
Balance as at March 31, 2026	105.19

7. Investments in Subsidiary

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Unquoted				
Equity instruments at cost				
Zodiac Clothing Company S.A., Switzerland (Equity Shares of CHF 1,000/- each)	250	65.91	250	65.91
Total		65.91		65.91
Aggregate value of unquoted investments		65.91		65.91

8. Non-current Investments

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares / NCD / Units	Amount	No. of Shares / NCD / Units	Amount
A Investment in Equity Instruments				
Quoted				
At Fair value through Other Comprehensive Income				
Shoppers Stop Limited (Equity Shares of ₹5 each)	2,21,024	638.76	2,21,024	1,210.66
Aditya Birla Capital Limited (Equity Shares of ₹10 each)	138	0.40	138	0.26
Grasim Industries Limited (Equity Shares of ₹2 each)	99	2.53	99	2.59
Aditya Birla Fashion and Retail Limited (Equity Shares of ₹10 each)	343	0.18	343	0.88
Hindalco Industries Limited (Equity Shares of ₹1 each)	830	7.34	830	5.66
Coramandel International Limited (Equity Shares of ₹1 each)	108	2.06	108	2.16
Indraprastha Medical Limited (Equity Shares of ₹10 each)	5,000	18.62	5,000	19.30
Karur Vysya Bank Limited (Equity Shares of ₹2 each)	39,280	113.68	32,733	68.45
Maan Alluminium Limited (Equity Shares of ₹5 each)	4,000	4.84	4,000	3.07
Spentex Industries Limited (Equity Shares of ₹10 each)	-	-	54	-
Total (A)		788.41		1,313.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at March 31, 2026		As at March 31, 2025	
		No. of shares / NCD / units	Amount	No. of shares / NCD / units	Amount
B	<u>Investment in Non Convertible Debentures (NCD)</u>				
	Unquoted				
	At amortised cost				
	11.80 % I L & F S Transportation Networks Limited (NCDs of Rs. 100 each)	30	213.31	30	213.31
	Less: Impairment Loss		(213.31)		(213.31)
	Total (B)		-		-
C	<u>Investment in Venture capital funds</u>				
	Unquoted				
	At Fair value through Profit and Loss @				
	Faering Capital India Evolving Fund II (Units of ₹1,000/- each)	48,855	1,054.77	59,937	1,605.57
	Paragon Partners Growth Fund I (Units of ₹100/- each)	1,51,738	314.62	1,66,307	373.49
	Faering Capital India Evolving Fund (Units of ₹1,000/- each)	10,727	569.21	10,727	317.19
	Total (C)		1,938.60		2,296.25
	Total (A+B+C)		2,727.01		3,609.28
	Aggregate amount of quoted investments		788.41		1,313.03
	Aggregate Market Value of the quoted investments		788.41		1,313.03
	Aggregate amount of unquoted investments		2,151.91		2,509.56
	Aggregate amount of impairment in the value of investment		213.31		213.31

Note:

* Amount is below the rounding off norms adopted by the Company.

@ Investment in venture capital funds have been fair valued at closing Net Assets Value (NAV) / Fair Market Value (FMV).

Refer note 42 for information about fair value measurement of investments and note 37(ii)(b) for Investment Commitments related to Venture Capital funds.

9 Non-current loans

	As at March 31, 2026	As at March 31, 2025
Unsecured considered good		
Loans to employees	7.21	12.65
Total	7.21	12.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

10 Other non-current financial assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered doubtful		
Security deposits	828.38	910.79
Less: Allowance for doubtful deposits	(42.00)	(42.00)
	786.38	868.79
Unsecured, considered good		
Term deposits with banks	64.63	51.68
Interest accrued on above	11.60	7.38
Total	862.61	927.85
Note: Security Deposits (for premises taken on lease) includes amount paid to:		
(i) Firms in which Directors of the Company are partners		
Metropolitan Trading Company	17.50	33.00
Munraz Enterprises	-	-
Mustang Manufacturing Company	-	-

11 Other non-current assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Prepaid expenses	0.18	1.49
Balances with government authorities (including deposits) - Others	-	26.13
Total	0.18	27.62

12 Inventories

	As at March 31, 2026	As at March 31, 2025
(The mode of valuation of inventories has been stated in Note 2(h))		
Raw and Packing Materials	1,364.25	1,693.37
Work-in-progress	250.81	193.14
Finished goods	4,117.29	4,125.55
Stock-in-trade	326.49	425.45
Stores and Spares	77.17	95.13
Total	6,136.01	6,532.64

Inventory writedowns/(reversal) are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-downs/(reversal) of inventories amounted to ₹46.27 Lakhs for the year ended March 31, 2026 (Rs. (224.20) Lakhs for the year ended March 31, 2025). These writedowns/(reversal) were recognised as an expense and included in 'Cost of material consumed', 'changes in inventories of finished goods, stock-in-trade and work-in-progress', and 'consumption of stores and spares' in the Statement of Profit and Loss.

The management has carried out an assessment of carrying value of the inventories and basis such assessment which includes nature, condition, margins and liquidation plan, no further provision, over and above those already provided, is considered necessary.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in ₹ Lakhs, unless otherwise stated)

13 Current investments

	No. of Units	As at March 31, 2026	No. of Units	As at March 31, 2025
Investments in Mutual Funds				
Unquoted				
At Fair value through Profit and Loss				
HDFC floating rate Income Fund-Short term Plan-Wholesale Option Growth (Units of ₹ 10/- each)	21,56,154	1,148.04	-	-
HDFC Ultra Short Term Fund- Regular Growth (Units of ₹ 10/- each)	47,149	7.45	1,44,983	21.57
HDFC Ultra Short Term Fund- Dir-IDCW (Units of ₹ 10/- each)	5,330	0.54	4,998	0.50
HDFC Ultra Short Term Fund Direct Growth (Units of ₹ 10/- each)	1,04,087	16.85	9,06,705	137.67
HDFC Liquid-DP-Growth Option (Units of ₹ 10/- each)	574	31.06	1,206	61.41
Total		1,203.94		221.15
Aggregate amount of unquoted investments		1,203.94		221.15

Refer Note 42 for information about fair value measurement of investments.

14 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Receivables from related parties (Refer Note 41)	77.99	63.94
Others	2,144.15	2,441.40
Less: Loss Allowances	(398.60)	(398.60)
Total	1,823.54	2,106.74
Note (a): Break-up of security details		
Trade receivables considered good - unsecured	1,823.54	2,106.74
Trade receivables - credit impaired - unsecured	398.60	398.60
Total	2,222.14	2,505.34
Less: Loss Allowances	(398.60)	(398.60)
Total Trade Receivables	1,823.54	2,106.74

Refer Note 43 for information about credit risk and market risk of trade receivables.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note (b): Ageing of trade receivables:

Unsecured Trade receivables	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026							
(i) Undisputed - considered good	1,208.34	534.87	13.94	61.03	5.36	-	1,823.54
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	398.60	398.60
Less: Loss Allowances							(398.60)
Total	1,208.34	534.87	13.94	61.03	5.36	398.60	1,823.54
As at March 31, 2025							
(i) Undisputed - considered good	1,849.78	221.12	10.61	20.92	4.31	-	2,106.74
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	398.60	398.60
Less: Loss Allowances							(398.60)
Total	1,849.78	221.12	10.61	20.92	4.31	398.60	2,106.74

There are no unbilled receivables as at March 31, 2026 and March 31, 2025.

15 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	1.32	17.32
Balances with Banks		
- In current accounts	82.24	85.01
Total	83.56	102.33

There are no repatriation restrictions with regard to cash and cash equivalents as at March 31, 2026 and March 31, 2025.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

16 Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Unclaimed dividends - Earmarked balances with banks	0.44	1.11
Total	0.44	1.11

17 Current loans

	As at March 31, 2026	As at March 31, 2025
Unsecured considered good		
Loans to employees	15.20	9.48
Total	15.20	9.48

18 Other current financial assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good	60.31	35.09
Security deposits		
Other deposits	65.06	68.75
Interest accrued	3.63	6.03
Other receivable	45.39	26.49
Derivative financial instruments	-	17.70
Advances recoverable from employees	49.51	50.53
Other advances	21.92	143.61
Total	245.82	348.20

19 Other current assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Export benefits receivables	80.53	192.47
Excess contribution to gratuity fund (Refer Note 39)	-	9.21
Advances to suppliers	15.90	6.26
Less: Provision for other doubtful loans and advances		
Prepaid expenses	56.84	72.30
Balances with government authorities - GST input credit receivable/refundable	2,242.52	2,529.10
Total	2,395.79	2,809.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

20 Equity share capital

	As at March 31, 2026	As at March 31, 2025
Authorised	3,400.00	3,400.00
3,40,00,000 [March 31, 2025: 3,40,00,000] Equity Shares of Rs. 10 each		
Issued, subscribed and fully paid up		
2,74,58,131 [March 31, 2025: 2,59,93,717] Equity Shares of Rs. 10 each	2,745.81	2,599.37
	2,745.81	2,599.37

Notes:

a) Reconciliation of number of shares:

	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	2,59,93,717	2,599.37	2,59,93,717	2,599.37
Issued during the year (Refer note f)	14,64,414	146.44	-	-
Balance as at the end of the year	2,74,58,131	2,745.81	2,59,93,717	2,599.37

b) Rights, preferences and restrictions attached to shares:

Equity shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by each shareholder holding more than 5% shares in the Company:

	As at March 31, 2026		As at March 31, 2025	
	%	No. of shares	%	No. of shares
Asia Tangible Investments Pte Limited	11.49	31,54,882	12.14	31,54,882
Euro Global Holdings Pte Limited	11.49	31,54,882	12.14	31,54,882
Late Mr. Mohamed Anees Noorani	21.85	60,00,109	23.08	60,00,109
Mr. Salman Yusuf Noorani	22.04	60,52,445	22.35	58,08,376

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

d) Details of shareholding of promoters:

As at March 31, 2026				As at March 31, 2025		
Name of the Promoter	Number of Shares	% of total number of shares	% change during the year	Number of Shares	% of total number of shares	% change during the year
Late Mohamed Yusuf Noorani	2,32,875	0.85	(0.05)	2,32,875	0.90	-
Mr. Salman Yusuf Noorani	60,52,445	22.04	(0.31)	58,08,376	22.35	-
Late Mr. Mohamed Anees Noorani	60,00,109	21.85	(1.23)	60,00,109	23.08	-
Euro Global Holdings Pte. Ltd.	31,54,882	11.49	(0.65)	31,54,882	12.14	-
Asia Tangible Investments Pte. Ltd.	31,54,882	11.49	(0.65)	31,54,882	12.14	-
Mr. Adnan Salman Noorani	4,44,069	1.62	0.85	2,00,000	0.77	-
Mrs. Muna A. Noorani	87,941	0.32	0.32	75	&	-
Mrs. Zehra S. Noorani	2,44,436	0.89	0.89	367	&	-
Mr. Mohamed Musaed Abu Nasr Noorani	1,37,277	0.50	0.47	8,409	0.03	-
Mr. Mohamed Awais Jehangir Noorani	1,28,943	0.47	0.47	75	&	-
Mrs. Saniyya A. Noorani	3,86,680	1.41	1.41	75	&	-
M Y Noorani 2007 Trust (Trustee - Anees Yusuf Noorani and Salman Yusuf Noorani)	607	&	-	607	&	-
Total	2,00,25,146	72.93	-	1,85,60,732	71.41	-

e) During the five years immediately preceding the reporting date, no shares have been bought back nor had the Company issued any bonus shares or any shares for consideration other than cash.

f) During the current year, the Company has allotted 14,64,414 equity shares of ₹10 each at a premium of ₹92.43 per equity share on preferential basis to the following promoter & promoter group of the Company on January 16, 2026, amounting to ₹1,500.00 Lakhs.

Name of the Promoter	Year Ended March 31, 2026
Mr. Salman Yusuf Noorani	2,44,069
Mrs. Zehra S. Noorani	2,44,069
Mr. Adnan Salman Noorani	2,44,069
Mrs. Muna A. Noorani	87,866
Mr. Mohamed Musaed Abu Nasr Noorani	1,28,868
Mr. Mohamed Awais Jehangir Noorani	1,28,868
Mrs. Saniyya A. Noorani	386,605
Total	14,64,414

& Percentages are below the rounding off norms adopted by the Company

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

21 Other equity

Name of the Promoter	Reserves and Surplus					Retained Earnings	Other Comprehensive Income (OCI)		
	Securities Premium	Amalgamation Reserve	State Cash Subsidy	Capital Redemption Reserve	General Reserves		FVOCI - Equity Instruments	Cash Flow Hedging Reserve	Total
As at March 31, 2024	10,749.10	8.16	15.84	200.00	2,677.51	4,632.59	1,442.77	4.29	19,730.26
Loss for the year	-	-	-	-	-	(4,031.09)	-	-	(4,031.09)
Remeasurements of defined benefit obligation	-	-	-	-	-	47.36	-	-	47.36
Remeasurements of net defined benefit plans									
Equity instruments through other comprehensive income, net of tax									
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	(384.78)	-	(384.78)
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	8.56	8.56
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	(4.29)	(4.29)
Total Comprehensive Loss for the year	-	-	-	-	-	(3,983.73)	(384.78)	4.27	(4,364.24)
As at March 31, 2025	10,749.10	8.16	15.84	200.00	2,677.51	648.86	1,057.99	8.56	15,366.02
Loss for the year	-	-	-	-	-	(3,115.81)	-	-	(3,115.81)
Remeasurements of defined benefit obligation	-	-	-	-	-	(48.20)	-	-	(48.20)
Remeasurements of net defined benefit plans									-
Equity instruments through other comprehensive income, net of tax									-
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	(438.23)	-	(438.23)
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	(91.05)	(91.05)
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	(8.56)	(8.56)
Total Comprehensive Loss for the year	-	-	-	-	-	(3,164.01)	(438.23)	(99.61)	(3,701.85)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Name of the Promoter	Reserves and Surplus					Other Comprehensive Income (OCI)		
	Securities Premium	Amalgamation Reserve	State Cash Subsidy	Capital Redemption Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	Cash Flow Hedging Reserve
Transactions with owners in their capacity as owners:								
Premium Received on Issue of Equity Shares (Refer note 20 (f))	1,353.56							
As at March 31, 2026	12,102.66	8.16	15.84	200.00	2,677.51	(2,515.15)	619.76	(91.05)

Purpose of Significant Reserves:

Securities Premium

Securities premium is used to record the premium on issue of shares, which is to be utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital Redemption Reserve is created during redemption of Preference Shares and it is a non-distributable reserve, which is to be utilised in accordance with provision of the Act.

General Reserve

The general reserve is a free reserve, retained from Company's profits. The reserves can be utilised as per the provisions of the Companies Act, 2013.

Retained Earnings

Retained Earnings are the profits / (losses) that the Company has earned till date, less any transfer to general reserves, dividends or other distribution paid to shareholders.

FVOCI - Equity Instruments

The Company has elected to recognise changes in the fair value of investments in certain equity securities as other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are sold.

Cash Flow Hedging Reserve

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in the other comprehensive income in the cash flow hedging reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

22 Current borrowings

	As at March 31, 2026	As at March 31, 2025
From Banks (working capital loans):		
Secured		
In Indian Rupees		
- Rupee packing credit (RPC)	1,732.86	2,298.66
- Bank Overdraft	2,327.93	1,848.01
From related parties:		
Unsecured		
Loans from Directors (Refer note 41)	817.73	492.85
Total current borrowings	4,878.52	4,639.52
Less: Interest accrued but not due on borrowings (included in note 24)	(54.21)	(18.15)
Total current borrowings	4,824.31	4,621.37

Nature of Security and terms of repayment:

- Current borrowings are secured against hypothecation of all current assets of the Company (Refer note 36).
- RPC is repayable within 180 days. Effective Interest rate ranging from 8.00% to 9.75% p.a. (March 31, 2025: 5.60% to 9.60% p.a.)
- Bank Overdraft carries rate of interest ranging from 8.50% to 9.50% p.a. (March 31, 2025: 9.10% to 9.60% p.a.)
- Loans from Directors carries rate of interest of 7.00% p.a.
- Refer note 43 for liquidity risk.
- The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in note 36.

23 Trade payables

	As at March 31, 2026	As at March 31, 2025
Trade payables		
- total outstanding dues of micro enterprises and small enterprises [Refer note below]	17.34	14.54
- total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to related parties [Refer note 41]	801.77	603.31
- Others	3,186.45	3,323.61
Total	4,005.56	3,941.46

Refer note 43 for information about liquidity risk and market risk of trade payables.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Ageing of trade payables:

Particulars	Unbilled Dues	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026							
(i) MSME	-	6.02	11.32	-	-	-	17.34
(ii) Others		1,425.00	2,101.26	290.89	62.70	108.37	3,988.22
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	-	1,431.02	2,112.58	290.89	62.70	108.37	4,005.56

Particulars	Unbilled Dues	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025							
(i) MSME	-	11.47	3.07	-	-	-	14.54
(ii) Others	125.29	2,098.24	1,429.48	112.15	88.64	73.12	3,926.92
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	125.29	2,109.71	1,432.55	112.15	88.64	73.12	3,941.46

There are no disputed trade payables.

Notes:

The Company has certain dues to suppliers under Micro, small and Medium enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows:	As at March 31, 2026	As at March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	15.32	14.03
Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.02	0.51
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	51.80	46.41
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.62	2.04
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	2.02	0.51
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

Note: The above is based on information available with the company regarding the registration status of the supplier as micro enterprises and small enterprises under MSMED Act.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

24 Other financial liabilities

	As at March 31, 2026	As at March 31, 2025
Other non-current financial liabilities		
Security deposits	67.10	65.97
Total	67.10	65.97
	As at March 31, 2026	As at March 31, 2025
Other current financial liabilities		
Interest accrued but not due on borrowings (Refer note 22)	54.21	18.15
Unclaimed dividends [Refer note below]	0.44	1.11
Derivative financial instruments	228.28	-
Capital creditors	120.95	210.13
Book Overdraft	2.17	9.59
Total	406.05	238.98

Note:

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

25 Other liabilities

Other non-current liabilities

	As at March 31, 2026	As at March 31, 2025
Deferred rent income	9.41	12.62
Total	9.41	12.62

Other current liabilities

	As at March 31, 2026	As at March 31, 2025
Contract liabilities - advance from customers * (Refer note 27 (iii))	42.77	147.61
Statutory dues payable	110.78	102.84
Employee benefits payable	528.69	537.25
Deferred rent income	3.21	3.21
Total	685.45	790.91

* Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year is recognised as revenue during the year while the amount recognised as at the end of the year represents advance payments received during the respective year.

26 Provisions

Non-current provisions

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits (Refer note 39)		
- Compensated absences	37.83	-
Total	37.83	-

Current provisions

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits (Refer note 39)		
- Compensated absences	11.53	53.88
- Gratuity	28.90	-
Total	40.43	53.88

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

27 Revenue from operations

Revenue from contracts with customers	As at March 31, 2026	As at March 31, 2025
- Sale of Products	15,487.34	16,633.37
- Sale of Services (Freight and Insurance)	20.14	68.71
Other operating revenue		
- Export incentives	500.70	583.39
- Process waste sale	4.04	6.00
Total	16,012.22	17,291.47

(i) Sale of products: Performance obligation in respect of sale of clothing products is satisfied at a point in time when control of the products is transferred to the customer, generally upon delivery/dispatch of the goods, as applicable. Payment for such products is generally due as per the terms agreed with the customers.

Sale of services (Freight and Insurance) : Performance obligation in respect of freight and insurance services is satisfied when the respective services are provided to the customer in accordance with the terms of the contract. Revenue is recognised upon satisfaction of the related performance obligation, and payment is generally due as per the contractual terms with customers.

There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2026 and March 31, 2025.

(ii) Reconciliation of revenue from contracts with customers recognised with contract price:

	As at March 31, 2026	As at March 31, 2025
Contract price Adjustments for:	15,660.77	16,916.21
Refund liabilities		
- Discounts and Rebates	(65.17)	(32.26)
- Sales returns	(88.12)	(181.87)
Revenue from contract with customers	15,507.48	16,702.08

(iii) Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year is recognised as revenue during the year while the amount recognised as at the end of the year represents advance payments received during the respective year.

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	147.61	112.72
Revenue recognised/other adjustments (net) during the year	104.84	(34.89)
Addition during the year	-	-
Balance at the end of the year	42.77	147.61

28 Other income

	As at March 31, 2026	As at March 31, 2025
Interest income		
- unwinding of discount on security deposit	47.60	45.21
- fixed deposits	8.78	7.59
- income tax refunds	2.61	26.09
- others	1.60	20.01
Dividend Income		
- financial assets measured at fair value through profit or loss	10.51	6.30
Rental income	394.84	387.87
Net gain on fair value / sale of financial assets measured at fair value through profit or loss	336.50	527.28
Net gain on foreign currency transactions and translation	-	32.01
Net gain on sale of Investment properties	193.95	-
Gain on termination / remeasurement / modification of lease contracts (Refer note 4(c))	64.57	65.84
Miscellaneous income	77.81	81.58
Total	1,138.77	1,199.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

29 Cost of materials consumed

	Year Ended March 31, 2026	Year Ended March 31, 2025
Raw and packing materials at the beginning of the year	1,693.37	1,515.96
Add: Purchases	5,465.61	7,254.49
Less: Raw and packing materials at the end of the year	(1,364.25)	(1,693.37)
Total	5,794.73	7,077.08

30 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year Ended March 31, 2026	Year Ended March 31, 2025
Opening inventories		
Finished goods	4,125.55	3,804.27
Stock-in-trade	425.45	316.76
Work-in-progress	193.14	194.41
	4,744.14	4,315.44
Closing inventories		
Finished goods	4,117.29	4,125.55
Stock-in-trade	326.49	425.45
Work-in-progress	250.81	193.14
	4,694.59	4,744.14
Total	49.55	(428.70)

31 Employee benefits expense

	Year Ended March 31, 2026	Year Ended March 31, 2025
Salaries, wages, bonus and other benefits	4,028.08	4,075.87
Contribution to provident and other funds (Refer note 39)	341.68	352.20
Gratuity expenses (Refer note 39)	53.63	60.52
Staff welfare expenses	43.56	52.34
Total	4,466.95	4,540.93

32 Finance costs

	Year Ended March 31, 2026	Year Ended March 31, 2025
Interest expense on:		
- Term loans	-	11.63
- Current borrowings	395.05	334.99
- Lease payments (Refer note 4(c))	565.72	425.28
- Others *	52.68	21.91
Total	1,013.45	793.81

* includes Interest expense on loan taken from related parties (refer note 41)

33 Depreciation and amortisation expense

	Year Ended March 31, 2026	Year Ended March 31, 2025
Depreciation on Property, plant and equipment (Refer note 4(a))	665.23	679.41
Depreciation on right-of-use assets (Refer note 4(c))	1,564.65	1,270.23
Depreciation on investment properties (Refer note 5)	24.26	24.25
Amortisation on other intangible assets (Refer note 6)	31.27	38.38
Total	2,285.41	2,012.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

34 Other expenses

	Year Ended March 31, 2026	Year Ended March 31, 2025
Consumption of stores and spares	138.64	192.75
Power and fuel	190.61	225.36
Job work charges	371.23	533.37
Insurance	100.67	95.69
Repairs and maintenance - Buildings	47.74	86.50
Repairs and maintenance - Plant & Machinery	17.04	15.03
Repairs and maintenance - Others	404.46	374.63
Rent (Refer note 4(c))	305.23	552.47
Electricity expenses	216.61	250.95
Retail store maintenance expenses	344.38	397.23
Rates and taxes	171.54	190.43
Advertisement and sales promotion	768.94	802.06
Commission to selling agents	650.49	760.60
Freight and forwarding	760.93	1,007.76
Trade mark fees (Refer note 41)	71.12	68.33
Legal and professional expenses	261.41	247.34
Payments to auditors (Refer note (i) below)	25.99	25.36
Travelling and conveyance	336.78	383.14
Director fees (Refer note 41)	25.40	24.20
Donations	-	-
Expenditure incurred for Corporate Social Responsibility (Refer note (ii) below)	52.00	91.52
Net loss on fair value / sale of financial assets measured at fair value through profit or loss	228.13	302.29
Exchange fluctuation - Others	307.02	-
Bad debts, loans, advances, deposits etc. written off	72.06	119.95
Net loss on sale/discard of Property, plant and equipment	97.68	75.76
Bank charges	129.34	155.21
Security charges	110.47	112.88
Miscellaneous expenses	171.14	157.66
Total	6,377.05	7,248.47

Notes:

(i) Payments to auditors:

	Year Ended March 31, 2026	Year Ended March 31, 2025
As auditor:		
Audit fees	15.50	17.00
Limited review fees	7.50	6.00
In other capacities:		
Certifications fees	1.00	1.00
Reimbursement of expenses	1.99	1.36
Total	25.99	25.36

(ii) Details of Corporate Social Responsibility (CSR) Expenditure:

	Year Ended March 31, 2026	Year Ended March 31, 2025
Amount required to be spent as per Section 135 of the Act *	-	-
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	52.00	91.52
Total	52.00	91.52

* The Company did not have profits in immediately preceeding three financial years and therefore there is no amount required to be spent as per Section 135(5) of the Act in current year and previous year.

- (a) Nature of CSR activities - Amount contributed for promoting healthcare including preventive healthcare in both the years.
(b) Related Party transaction for CSR - Nil (Previous year - Nil).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

35 Taxes

(i) Tax expense recognised in the Standalone Statement of Profit and Loss:

	Year Ended March 31, 2026	Year Ended March 31, 2025
Current tax	-	-
Expense for the year	-	-
Total current tax (A)	-	-
Deferred tax		
Deferred tax credit	124.77	580.66
Total deferred tax credit (B)	124.77	580.66
Total tax expense for the year (C) = (A + B)	124.77	580.66
Tax in respect of earlier years (D)	-	-
Total tax expense (C + D)	124.77	580.66

Note:

Pursuant to the amendments in the Finance Bill, 2024 in respect of taxation of capital gains, the Company has remeasured its deferred tax assets / liabilities on items subject to capital gain taxation and accordingly a one time cumulative impact of ₹591.00 Lakhs has been recognised during the year ended March 31, 2025.

ii) A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the loss before income taxes is summarized below:

	Year Ended March 31, 2026	Year Ended March 31, 2025
Profit/ (Loss) before tax	(2,991.04)	(3,450.43)
Less: Set off Unabsorbed Depreciation	-	-
	(2,991.04)	(3,450.43)
Enacted income tax rate in India	27.82%	27.82%
Tax expenses at enacted income tax rate	(832.11)	(959.91)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowance	70.12	74.74
Additional deduction for House Property Income under Income Tax	(38.20)	(30.45)
Differential tax rate in respect of income from capital gains	74.45	13.74
Deferred tax assets not recognised on business losses	686.46	647.54
Deferred tax assets not recognised on unabsorbed depreciation	182.98	202.07
One time impact in respect of taxation of capital gains due to amendment in Finance Bill, 2024	-	591.00
Others	(18.93)	41.93
Total Tax Expenses	124.77	580.66

iii) Tax Assets

	Year Ended March 31, 2026	Year Ended March 31, 2025
Non-Current Tax Assets (net of provision of ₹2,761.15 Lakhs (As at March 31, 2025 ₹2,761.15 Lakhs))	1,080.33	1,047.73
Total	1,080.33	1,047.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

35 Taxes (Contd....)

iv) The movement in deferred tax assets and liabilities during the year ended March 31, 2026 and March 31, 2025:

	As at March 31, 2024	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2025	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2026
Deferred tax assets/(liabilities)							
Provision for employee benefits	11.02	(21.13)	11.92	1.81	19.96	13.41	35.18
Loss allowance	122.57	-	-	122.57	-	-	122.57
Property, plant and equipment and intangible assets	(201.92)	(84.17)	-	(286.09)	(357.68)	-	(643.77)
Lease Liabilities and Right-of-use assets	102.20	(1.16)	-	101.04	30.08	-	131.12
Unabsorbed Depreciation	1,551.49	(8.61)	-	1,542.88	(26.87)	-	1,516.01
Business Losses	-	-	-	-	-	-	-
Others	(20.48)	(465.59)	33.31	(452.76)	209.74	111.36	(131.66)
Total	1,564.88	(580.66)	45.23	1,029.45	(124.77)	124.77	1,029.45

Significant Estimates: Based on the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer, the company has estimated that the future taxable income will be sufficient to absorb carried forward unabsorbed depreciation, which management believes is probable, accordingly the Company has recognized deferred tax asset on aforesaid unabsorbed depreciation. However, deferred tax on carried forward unabsorbed depreciation and business losses as detailed below has not been considered for recognition of deferred tax asset. Further, deferred tax asset on business losses has been recognised to the extent of deferred tax liabilities.

Assessment Year (A.Y.)	Business Loss			Unabsorbed Depreciation		
	As at March 31, 2026	As at March 31, 2025	Loss Carried forward for upto A.Y.	As at March 31, 2026	As at March 31, 2025	Loss Carried forward for upto A.Y.
2017 - 18	-	1,064.52	2025-26	1,056.74	1,056.74	} No Expiry
2018 - 19	1,836.69	1,836.69	2026-27	1,166.48	1,166.48	
2019 - 20	457.88	457.88	2027-28	1,056.32	1,056.32	
2020 - 21	1,879.04	1,879.04	2028-29	981.42	981.42	
2021 - 22	3,000.44	3,000.44	2029-30	871.83	871.83	
2022 - 23	2,025.65	2,025.65	2030-31	787.01	787.01	
2023 - 24	-	-	-	-	-	
2024 - 25	1,871.79	1,871.79	2032-33	704.97	704.97	
2025 - 26	2,413.14	2,327.59	2033-34	688.86	726.33	
2026 - 27	1,640.42	-	2034-35	657.69	-	
Less - Deferred tax recognized	-	-	-	(5,449.35)	(5,545.94)	
Unrecognized Amount	15,125.05	14,463.60		2,521.97	1,805.16	

36 Assets pledged as securities

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Year Ended March 31, 2026	Year Ended March 31, 2025
Floating Charge		
Current Assets		
Financial Assets		
- Investments	1,203.94	221.15
- Trade receivables *	1,745.55	2,042.80
- Cash and cash equivalents	83.56	102.33
- Loans	15.20	9.48
- Others financial assets	245.82	348.20
	3,294.07	2,723.96
Non Financial Assets		
- Inventories	6,136.01	6,532.64
- Other current assets	2,395.79	2,809.34
	8,531.80	9,341.98
Total assets	11,825.87	12,065.94

*Trade Receivables represent receivables excluding related parties trade receivables as per the terms of security.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

37 Contingent liabilities, Contingent assets and commitments (to the extent not provided for):**(i) Contingent Liabilities**

	Year Ended March 31, 2026	Year Ended March 31, 2025
Claims against the company not acknowledged as debts in respect of: Income tax matters (including TDS matters)	1,026.95	1,047.70

Significant Estimates: The Company has litigations in respect of certain Income tax matters. The management does assessment of all outstanding matters and wherever required, further obtains legal advices including those relating to interpretation of law. Based on such assessment, it concludes whether a provision should be recognised or a disclosure should be made.

(ii) Commitments**Investment Commitments related to Venture Capital funds**

	Year Ended March 31, 2026	Year Ended March 31, 2025
Investment Commitments related to Venture Capital funds	35.93	35.93

Investment commitment: contribution is to be made on “as needed” basis pursuant to drawdown notices issued by the respective funds over commitment period.

Mirage Marketing Company LLP (MMLP) vide Deed of Adherence (DOA) executed on December 18, 2019 and February 04, 2020 executed in favour of Faering Capital India Evolving Fund II and the Company, has acquired Investment Commitment of class A units of Faering Capital India Evolving Fund amounting to ₹ 450.00 lakhs from the Company and pursuant to which the Company is no longer committed for investment commitment to the extent of ₹ 450.00 lakhs.

38 Earnings per share

		Year Ended March 31, 2026	Year Ended March 31, 2025
Basic and Diluted			
Loss for the year (Rs. in lakhs)	(A)	(3,115.81)	(4,031.09)
Weighted average number of equity shares outstanding (nos)	(B)	2,62,90,612	2,59,93,717
Basic and Diluted Loss Per Share (Rs.)	(A / B)	(11.85)	(15.51)
Nominal value per equity shares (in Rs.)		10	10

39 Post retirement benefit plans**I. Defined Benefit Plan - Gratuity:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a ceiling of Rs. 20 Lakhs. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

As per Actuarial Valuation as on March 31, 2026 and March 31, 2025, amounts recognised in the Standalone financial statements in respect of Employee Benefits Scheme:

A. Amount recognised in the Balance Sheet

	Year Ended March 31, 2026	Year Ended March 31, 2025
Present value of plan liabilities	956.91	945.97
Fair value of plan assets	(928.01)	(955.18)
Net plan liability / (Net plan surplus)	28.90	(9.21)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

B. Movement in plan assets and liabilities

	Year ended March 31, 2026			Year ended March 31, 2025		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
As at 1st April	955.18	945.97	9.21	942.21	959.86	(17.65)
Current service cost	-	56.30	(56.30)	-	59.25	(59.25)
Interest cost	-	61.52	(61.52)	-	69.11	(69.11)
Interest income	64.19	-	64.19	67.85	-	67.85
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(38.56)	38.56	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(37.19)	37.19	-	25.94	(25.94)
Actuarial (gain)/loss arising from experience adjustments	-	126.55	(126.55)	-	(72.00)	72.00
Return on plan assets excluding actual return of plan assets	2.60	-	2.60	1.30	-	1.30
Employer contributions	63.72	-	63.72	40.01	-	40.01
Benefit payments	(157.68)	(157.68)	-	(96.19)	(96.19)	-
As at 31st March	928.01	956.91	(28.90)	955.18	945.97	9.21

The liabilities are split between different categories of plan participants as follows:

	Year Ended March 31, 2026	Year Ended March 31, 2025
Active members (in nos.)	885	1,006
Retired Members (in nos.)	11	36
The weighted average duration of the defined benefit obligations	10 years	7 years
Expected contribution to the Fund in next year (Rs. In lakhs)	73.95	47.09

C. Standalone Statement of Profit and Loss

	Year Ended March 31, 2026	Year Ended March 31, 2025
Employee Benefits Expense:		
Current service cost	56.30	59.25
Net Interest income	(2.67)	1.27
Amount recognised in Standalone Statement of Profit and Loss	53.63	60.52
Remeasurements of the net defined benefits liability:		
Actuarial gain arising from changes in demographic assumptions	(38.56)	-
Actuarial gains arising from changes in financial assumptions	(37.19)	25.94
Experience gains	126.55	(72.00)
Return on plan assets excluding actual return on plan assets	(2.60)	(1.30)
Amount recognised in Other Comprehensive Income - (gain) / loss	48.20	(47.36)

Total impact of remeasurement of net defined benefit plan expense / (income) recognised through other comprehensive Income as at March 31, 2026 and included in Retained earnings is ₹48.2 lakhs (Previous Year: ₹ (47.36) Lakhs).

D. Assets

	Gratuity	
	Year Ended March 31, 2026	Year Ended March 31, 2025
Insurer managed Fund	928.01	955.18
Total	928.01	955.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on

	As at March 31, 2026	As at March 31, 2025
Financial Assumptions		
Discount rate	7.24%	6.72%
Salary Escalation Rate *	5.00%	5.00%
Expected Return on Plan Assets	7.24%	6.72%
Attrition Rate	For service period 4 years and below 40% p.a. For service period of 5 years and above 1% p.a.	For service period 4 years and below 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a.

the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows

* Taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions	Indian Assured Lives Mortality (2012-14) Urban table	Indian Assured Lives Mortality (2012-14) Urban table
Mortality in Service :		

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	As at March 31, 2026		As at March 31, 2025	
		Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability
Discount rate	1%	(64.22)	74.12	(52.39)	59.28
Salary Escalation Rate	1%	67.17	(59.65)	55.93	(50.37)
Attrition Rate	1%	14.71	(16.65)	6.13	(6.97)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

G. The defined benefit obligations (undiscounted) shall mature after the end of reporting period is as follows:

	As at March 31, 2026	As at March 31, 2025
1st Following Year	179.72	135.19
2nd Following Year	47.33	73.04
3rd Following Year	50.62	101.44
4th Following Year	79.50	123.15
5th Following Year	66.93	113.15
Sum of Years 6 to 10	451.67	357.92
Thereafter	1,037.81	662.63

H. Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

minimize risk to an acceptable level.

II. Compensated absences

The compensated absences obligations cover the Company's liability for leave, which is actuarially valued at each year end by applying the assumptions referred in 'E' above.

The total provision for compensated absences amounts to Rs. 49.36 lakhs (as at March 31, 2025: Rs. 53.88 lakhs) comprising both current and non-current portions. The current portion is presented as current, as the Company does not have an unconditional right to defer settlement of the related obligations.

III. Details of Defined Contribution Plan

The Company also has certain defined contribution plans. Contributions are made to provident and other funds in India for employees as per regulations. The contributions are made to registered provident fund, ESIC, etc. which are administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan are Rs. 341.68 lakhs (Previous year Rs. 352.20 lakhs) in the Standalone Statement of Profit and Loss.

40 In accordance with Accounting Standard Ind AS 108 'Operating Segment', segment information has been given in the consolidated financial statements of Zodiac Clothing Company Limited, and therefore, no separate disclosure on segment information is given in these Standalone Financial Statements.

41 Related Party Disclosures under IND AS 24**1. Relationships:****Entities where control exists:**

(a) Subsidiary Companies (including step down subsidiaries):

		Ownership Interest	
		As at March 31, 2026	As at March 31, 2025
(i) Zodiac Clothing Co. S. A.	Switzerland	100	100
(ii) Zodiac Clothing Co. (U.A.E.) LLC * (Subsidiary of (i) above)	UAE	100	100
(iii) Zela Technologies, Inc. (Subsidiary of (i) above) (w.e.f. February 28, 2024)	USA	100	100
(iv) Zodiac Clothing Co. Pvt. Ltd. (Subsidiary of (i) above) (w.e.f. 5 th June, 2024)	UK	100	100
(v) Zodiac Clothing Bangladesh Limited (Subsidiary of (ii) above)	Bangladesh	100	100
(vi) Zodiac Clothing Company INC.(Subsidiary of (ii) above)	USA	100	100

Other related parties:

(b) (i) Key Management Personnel:

Mr. Salman Yusuf Noorani	Chairman & Managing Director (w.e.f 13th Feb, 2026)
Mr. Mohamed Awais Jehangir Noorani	Whole Time Director
Mr. Adnan Salman Noorani	Whole Time Director
Mr. Mahabala Bealthur	Chief Financial Officer (CFO)
Mr. Kumar Iyer	Company Secretary

(ii) Non-Executive Directors:

Late Mr. Mohamed Anees Noorani	Chairman, Non-Executive Director (Upto 29th July, 2025)
Mr. Mohamed Musaed Abu Nasr Noorani	Non-Executive Director (w.e.f. 12th November, 2025)
Mr. Vaman M. Apte	Independent Director
Mr. Naushad Forbes	Independent Director
Ms. Elizabeth Jane Hulse	Independent Director (upto 11th August, 2025)
Amb. Ahmad Javed	Independent Director
Mr. Dilip J. Thakkar	Independent Director
Mr. Subramaniam. R. Iyer	Non-Independent Director
Ms. Djena Sunavala	Independent Director (w.e.f. 12th September, 2025)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

(c) Close members of key management personnel with whom the transactions have taken place:

Mrs. Muna A. Noorani Wife of Late	Mr. Mohamed Anees Noorani
Mrs. Zehra S. Noorani Wife of	Mr. Salman Yusuf Noorani
Mrs. Saniyya A. Noorani Daughter of Late	Mr. Mohamed Anees Noorani

(d) Enterprises over which key management personnel and / or close members are able to exercise significant influence and with whom transactions have taken place:

Zodiac Metropolitan Clothing Gmbh	Germany
Metropolitan Trading Company	India
Montage Corporation	India
Munraz Enterprises	India
Mustang Manufacturing Company	India
Mashal Enterprises	India
Miraj Marketing Company LLP	India

(e) Trust

Zodiac Clothing Co. Ltd. EMPL GGCA Scheme

* The shareholders of the Company are Mrs. Muna Mahmood Mohd. Mahmoud (51%) and M/s. Zodiac Clothing Co S.A. (49%). As per the mutual agreement between the shareholders, Mrs. Muna Mahmood Mohd. Mahmoud is holding 51% shares for and on behalf of M/s. Zodiac Clothing Co S.A. who is the beneficial owner.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

41. Related Party Disclosures under IND AS 24 (Contd....)

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

Nature of transactions	Related Parties							
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above		Referred in 1(d) above	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from contracts with customers								
Sale of Goods and Services	194.00	390.27	-	-	-	-	560.40	-
Other Income								
Rent	-	-	-	-	-	-	9.00	-
Employees benefit expenses *	-	-	84.08	73.01	-	-	-	-
Interest Expense	-	-	47.50	16.10	-	-	-	-
Other Expenses								
Rent	-	-	26.93	22.85	-	-	110.95	-
Commission to selling agents	-	-	-	-	-	-	193.17	-
Director Fees	-	-	25.40	24.20	-	-	-	-
Trade Mark Fees	-	-	-	-	-	-	71.12	-
Others								
Reimbursement of Expenses from	0.20	2.70	-	-	-	-	1.13	-
Reimbursement of Expenses to	-	-	-	-	-	-	13.70	-
Purchase of Property Plant & Equipment								
Gratuity Fund contribution	-	-	-	-	-	-	-	40.01
Loan Received	-	-	784.61	440.00	-	-	-	-
Loan Repaid	-	-	498.61	-	-	-	-	-
Issue of Share Capital (including securities premium)	-	-	764.00	-	736.00	-	-	-

* This aforesaid amount does not include amount in respect of gratuity and compensated absences as the same is not determinable on individual basis and hence considered for disclosure on payment basis.

3. Balances with related parties referred in 1 above, in ordinary course of business:

Nature of transactions	Related Parties					
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(d) above	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Outstandings:						
Current borrowings	-	-	765.00	479.00	-	-
Trade Payables	21.52	42.42	84.77	58.54	695.48	502.35
Other Current Liabilities	-	-	81.06	81.06	-	-
- Employee benefits payable	-	-	-	-	-	-
- Contract Liabilities - Advance from customers	-	96.23	-	-	-	-
Other Current Financial Liabilities	-	-	52.73	13.85	-	-
- Interest accrued but not due	-	-	-	-	-	-
Other Non Current financial asset	-	-	-	-	17.50	33.00
(Security Deposit given)	-	-	-	-	-	-
Trade Receivables	55.36	116.97	-	-	77.99	63.94
Other Current Financial Assets	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

41. Related Party Disclosures under IND AS 24 (Contd....)

4. Disclosure in respect of material transactions with related parties during the year (included in 2 above)

	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from contracts with customers:		
- Zodiac Clothing Co (U.A.E.) LLC	50.65	32.26
- Zodiac Clothing Company INC.	143.36	358.01
- Zodiac Metropolitan Clothing Gmbh	38.22	552.50
- Mashal Enterprises	-	7.90
Other Income:		
Rent		
- Metropolitan Trading Company	9.00	9.00
Expenses:		
Employees benefit expenses		
- Mr. Awais A. Noorani	59.42	49.10
- Mr. Adnan Noorani	24.66	23.91
Interest expense		
- Mr. A. Y. Noorani	16.77	8.05
- Mr. A. Y. Noorani & Awais Noorani	1.50	-
- Mr. S. Y. Noorani	29.23	8.05
Rent Expense		
- Metropolitan Trading Company	83.28	89.44
- Montage Corporation	1.01	1.01
- Mr. A. Y. Noorani	13.47	11.42
- Mr. S. Y. Noorani	13.47	11.42
- Mashal Enterprises	26.65	22.24
Commission to selling agents		
- Zodiac Metropolitan Clothing Gmbh	193.17	227.27
Director Fees		
- Mr. V. M. Apte	7.00	7.00
- Mr. Dijen Bakhtar Sunawala	1.00	-
- Mr. Y. P. Trivedi	-	2.50
- Mr. S. R. Iyer	6.40	6.20
- Mr. Bernhard Steunruecke	-	1.00
- Mr. Naushad Forbes	2.40	0.90
- Ms. Elizabeth Jane Hulse	-	0.50
- Mr. Ahmed Javed	2.20	1.70
- Mr. Dilip J Thakkar	6.40	4.40
Trade Mark Fees		
- Metropolitan Trading Company	71.12	68.33
Others		
Reimbursement of Expenses from		
- Zodiac Clothing Bangladesh Limited	0.20	2.70
- Mashal Enterprises	-	1.13
Reimbursement of Expenses to		
- Munraz Enterprises	5.28	5.64
- Metropolitan Trading Company	0.50	8.06
Gratuity Fund contribution		
- Zodiac Clothing Co. Ltd. EMPL GGCA Scheme	65.77	40.01
Loan Received		
- Mr. A. Y. Noorani	-	220.00
- Mr. A. Y. Noorani & Awais Noorani	35.00	-
- Mr. S. Y. Noorani	749.61	220.00
Loan Repaid		
- Mr. S. Y. Noorani	498.61	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

41. Related Party Disclosures under IND AS 24 (Contd....)

Disclosure in respect of material transactions with related parties during the year (included in 2 above)

	Year ended March 31, 2026	Year ended March 31, 2025
Issue of Share Capital (including securities premium)		
- Mr. S. Y. Noorani	250.00	-
- Mr. Awais Noorani	132.00	-
- Mr. Adnan S Noorani	250.00	-
- Mrs. Saniyya Noorani	396.00	-
- Mr. Musaed A. Noorani	132.00	-
- Mrs. Muna A. Noorani	90.00	-
- Mrs. Zehra S.Noorani	250.00	-

41. Related Party Disclosures under IND AS 24 (Contd....)

5. Disclosure in respect of material Outstanding balances with related parties as at year end (included in 3 above)

	Year ended March 31, 2026	Year ended March 31, 2025
Outstandings:		
Current borrowings		
- Mr. A. Y. Noorani	239.50	239.50
- Mr. A. Y. Noorani & Awais Noorani	35.00	-
- Mr. S. Y. Noorani	490.50	239.50
Trade Payables		
- Zodiac Clothing Co (U.A.E.) LLC.	21.52	42.42
- Zodiac Metropolitan Clothing Gmbh	254.86	152.64
- Metropolitan Trading Company	332.29	263.00
- Munraz Enterprises	68.68	63.39
- Montage Corporation	4.73	3.72
- Mustang Manufacturing Company.	-	6.48
- Mr. A. Y. Noorani - Payable for Rent	37.79	26.10
- Mr. S. Y. Noorani - Payable for Rent	46.98	32.44
- Mashal Enterprises	34.93	13.11
Other Current Liabilities - Employee benefits payable		
- Mr. S. Y. Noorani - Remuneration	81.06	81.06
Contract Liabilities - Advance from customers		
- Zodiac Clothing Company INC.	-	96.23
Other Current Financial Liabilities		
- Interest accrued but not due		
- Mr. A. Y. Noorani - Payable for Interest	17.07	6.00
- Mr. A. Y. N. & Awais Noorani - Payable for Interest	1.50	-
- Mr. S. Y. Noorani - Payable for Interest	34.15	7.84
Security Deposit		
- Metropolitan Trading Company	17.50	33.00
Trade Receivables		
- Zodiac Metropolitan Clothing Gmbh	77.99	63.94
Other Current Financial Assets		
- Other Advances		
- Zodiac Clothing Co (U.A.E.) LLC.	50.65	-
- Other Receivable		
- Zodiac Clothing Bangladesh Limited	4.71	-

Terms and Conditions:

Transactions were done in ordinary course of business and on normal terms and conditions.

Outstanding balances are unsecured and repayable in cash.

Refer note 37(ii)(b) in respect of transfer of Investment commitment by the Company to a related party.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

42 Fair Value Measurement:

(i) Financial Instrument by category and hierarchy.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, current loans, trade payables and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans (security deposits) were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk. The interest rate on term deposits is at the prevailing market rates. Accordingly, fair value of such instrument is not materially different from their carrying amounts.

The interest rate on borrowing is at the prevailing market rates. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at March 31, 2026	Non Current	Current	Total	Fair Value through Profit and Loss				Fair Value through OCI				Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets													
Investments													
- Equity instruments *	788.41	-	788.41	-	-	-	-	788.41	-	-	788.41	-	788.41
- Mutual funds	-	1,203.94	1,203.94	1,203.94	-	-	1,203.94	-	-	-	-	-	1,203.94
- Venture capital fund	1,938.60	-	1,938.60	-	-	1,938.60	1,938.60	-	-	-	-	-	1,938.60
	2,727.01	1,203.94	3,930.95	1,203.94	-	1,938.60	3,142.54	788.41	-	-	788.41	-	3,930.95
Other Assets													
- Loans to Employees	7.21	15.20	22.41	-	-	-	-	-	-	-	-	22.41	22.41
- Other Financial Assets	862.61	245.82	1,108.43	-	-	-	-	-	-	-	-	1,108.43	1,108.43
- Trade receivable	-	1,823.54	1,823.54	-	-	-	-	-	-	-	-	1,823.54	1,823.54
- Cash and Cash equivalents	-	83.56	83.56	-	-	-	-	-	-	-	-	83.56	83.56
- Bank Balances other than cash and cash equivalents	-	0.44	0.44	-	-	-	-	-	-	-	-	0.44	0.44
	869.82	2,168.56	3,038.38	-	-	-	-	-	-	-	-	3,038.38	3,038.38
Financial Liabilities													
- Borrowings	-	4,824.31	4,824.31	-	-	-	-	-	-	-	-	4,824.31	4,824.31
- Derivative financial instruments	-	228.28	228.28	-	137.23	-	137.23	-	91.05	-	91.05	-	228.28
- Other Financial Liabilities	67.10	177.77	244.87	-	-	-	-	-	-	-	-	244.87	244.87
- Trade Payables	-	4,005.56	4,005.56	-	-	-	-	-	-	-	-	4,005.56	4,005.56
	67.10	9,235.92	9,303.02	-	137.23	-	137.23	-	91.05	-	91.05	9,074.74	9,303.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2025	Non Current	Current	Total	Fair Value through Profit and Loss				Fair Value through OCI				Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets													
Investments													
- Equity instruments *	1,313.03	-	1,313.03	-	-	-	-	1,313.03	-	-	-	-	1,313.03
- Mutual funds	-	221.15	221.15	221.15	-	-	221.15	-	-	-	-	-	221.15
- Venture capital fund	2,296.25	-	2,296.25	-	-	2,296.25	2,296.25	-	-	-	-	-	2,296.25
	3,609.28	221.15	3,830.43	221.15	-	2,296.25	2,517.40	1,313.03	-	-	-	-	3,830.43
Other Assets													
- Loans to Employees	12.65	9.48	22.13	-	-	-	-	-	-	-	-	22.13	22.13
- Derivative financial instruments	-	17.70	17.70	-	9.14	-	9.14	-	8.56	-	8.56	-	17.70
- Other Financial Assets	927.85	330.50	1,258.35	-	-	-	-	-	-	-	-	1,258.35	1,258.35
- Trade receivable	-	2,106.74	2,106.74	-	-	-	-	-	-	-	-	2,106.74	2,106.74
- Cash and Cash equivalents	-	102.33	102.33	-	-	-	-	-	-	-	-	102.33	102.33
- Bank Balances other than cash and cash equivalents	-	1.11	1.11	-	-	-	-	-	-	-	-	1.11	1.11
	940.50	2,567.86	3,508.36	-	9.14	-	9.14	-	8.56	-	8.56	3,490.66	3,508.36
Financial Liabilities													
- Borrowings	-	4,621.37	4,621.37	-	-	-	-	-	-	-	-	4,621.37	4,621.37
- Other Financial Liabilities	65.97	238.98	304.95	-	-	-	-	-	-	-	-	304.95	304.95
- Trade Payables	-	3,941.46	3,941.46	-	-	-	-	-	-	-	-	3,941.46	3,941.46
	65.97	8,801.81	8,867.78	-	-	-	-	-	-	-	-	8,867.78	8,867.78

(ii) Fair value of financial assets and liabilities measured at amortised cost:

	As at March 31, 2026			As at March 31, 2025		
	Carrying Amount	Fair Value		Carrying Amount	Fair Value	
Financial Assets						
Investment Others						
- Loans to Employees	22.41	20.56		22.13	20.30	
- Security Deposits	846.69	1,037.86		903.88	1,064.98	
Total	869.10	1,058.42		926.01	1,085.28	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

* The above disclosure excludes non-current investment in subsidiary that is accounted at cost and hence not considered.

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted shares and mutual funds
- the fair value of forward exchange contracts is determined using forward exchange rates at the balance sheet date
- net asset value ('NAV') / fair market value ('FMV') are determined based on audited standalone financial statements / valuation reports / NAV / FMV provided by fund manager
- the fair value of remaining financial instrument is determined using discounted cash flow analysis.

(iv) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2026 and March 31, 2025:

As at March 31, 2024 (Refer note 8)	Venture Capital Fund*
	2,543.26
Acquisitions	-
Disposal	(415.75)
Gain recognised in statement of profit and loss	168.74
As at March 31, 2025 (Refer note 8)	2,296.25
Acquisitions	-
Disposal	(125.37)
Gain recognised in statement of profit and loss	(232.28)
As at March 31, 2026 (Refer note 8)	1,938.60

*The Company has invested in following funds and these funds have been further invested into various companies.

1. Faering Capital India Evolving Fund
2. Paragon Partners Growth Fund - I
3. Faering Capital India Evolving Fund II

The Company has considered fair market values based on audited standalone financial statement and/or valuation reports and/or NAV / FMV statements provided by venture capital fund.

Investment commitment in respect of venture capital funds are on "as needed" basis and will be at face value. [Refer note 37(ii)(b)]

43 Financial Risk Management:

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Management.

(A) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, future committed transactions, foreign currency receivables, payables, borrowings etc.

The Company manages market risk through its finance department (headed by CFO), which evaluates and exercises independent control over the entire process of market risk management. The finance department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, option contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk.

"Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio, which could vary on either side based on current interest rates scenario.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Particulars	As at March 31, 2026	As at March 31, 2025
Total Borrowings (Refer note 22)	4,824.31	4,621.37
% of Borrowings out of above bearing variable rate of interest	100.00%	100.00%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on Profit / loss before tax

Particulars	2025-2026	2024-2025
50 bp increase- increase in loss *	24.12	23.11
50 bp decrease- decrease in loss *	(24.12)	(23.11)

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

Market Risk- Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales, purchases etc. in various foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts and option contracts to hedge exposure to foreign currency risk.

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

(Foreign Currency in Lakhs)

Foreign currency	As at March 31, 2026		As at March 31, 2025	
	Sell Contract	Buy Contract	Sell Contract	Buy Contract
Forward Contracts USD	53.52	-	76.33	-
Forward Contracts EURO	5.86	-	6.78	-
Forward Contracts GBP	0.68	-	0.67	-

Derivative financial instruments such as foreign exchange forward and option contracts are used for hedging purposes and not as trading or speculative instruments. The Company designates these hedging instruments as cash flow hedges to hedge foreign currency risk in cash flow from firm commitment (sales order / purchase order).

(b) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	As at March 31, 2026			As at March 31, 2025		
	USD	EURO	GBP	USD	EURO	GBP
Trade payables	8.61	0.01	-	6.14	0.00	-

Particulars	As at March 31, 2026			As at March 31, 2025		
	USD	EURO	GBP	USD	EURO	GBP
Trade Receivables	13.14	2.76	0.72	13.91	7.74	0.59

*amount is below the rounding off norms adopted by the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Foreign Currency Risk Sensitivity**A change of 5% in Foreign currency would have following Impact on loss before tax**

Particulars	As at March 31, 2026		As at March 31, 2025	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(18.88)	18.88	(32.39)	32.39
EURO	(12.40)	12.40	(34.92)	34.92
GBP	(3.79)	3.79	(3.12)	3.12
Increase / (decrease) in loss	(35.07)	35.07	(70.43)	70.43

Market Risk- Price Risk**(a) Exposure**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through Other Comprehensive Income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of portfolio is done in accordance with limits set by the Company.

(b) Sensitivity

(i) The table below summarises the impact of increases/decreases of the BSE index on the Company's equity and other comprehensive income for the year arising from portfolio of investment in equity shares of listed companies. The analysis is based on the assumption that the index has increased by 10 % or decreased by 10 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	Impact on Other Comprehensive Income	
	March 31, 2026	March 31, 2026
BSE Sensex 30- Increase 10%	78.84	131.30
BSE Sensex 30- Decrease 10%	(78.84)	(131.30)

Above referred sensitivity pertains to quoted equity investment (Refer note 8). Other Comprehensive Income for the year would increase/ (decrease) as a result of gains/losses on equity securities as at fair value through Other Comprehensive Income.

(ii) The table below summarises the impact of increases/decreases in the net asset value (NAV) / fair market value (FMV) of Company's investment in venture capital fund units and statement of profit and loss for the year arising from portfolio of investment in venture capital funds. The analysis is based on the assumption that the NAV / FMV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Company's venture capital funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2026	March 31, 2025
- Increase 10%	193.86	229.63
- Decrease 10%	(193.86)	(229.63)

*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

(iii) The table below summarises the impact of increases/decreases in the net asset value (NAV) of Company's investment in mutual fund units and statement of profit and loss for the year arising from portfolio of investment in mutual funds. The analysis is based on the assumption that the NAV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Company's mutual funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2026	March 31, 2025
- Increase 10%	120.39	22.12
- Decrease 10%	(120.39)	(22.12)

*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

(B) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from trade receivables, cash and cash equivalents, deposit with banks, derivative financial instruments, investments, loan to employee and security deposits. The Company manages and analyses the credit risk for each of its new customers before standard payment and delivery terms and conditions are offered.

Credit risk on cash and cash equivalents, deposit with banks, derivative financial instruments and investment is limited as Company generally deals with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual and accredited venture fund.

While loans and security deposits for rental premises are subjected to the impairment requirement of Ind AS 109, the identified impairment loss was immaterial.

(i) Credit risk management:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information."

Sale to retail customers are required to be settled in cash or using major cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors or regions. In respect of sales to export customers, there are no past history of losses, thus the identified expected credit loss was immaterial. Credit risk for domestic trade receivable is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business.

Loss allowance for expected credit losses

The Company provides for expected credit loss on trade receivables under simplified approach

As at March 31, 2026

Ageing	Total
Gross carrying amount	584.73
Expected Credit loss - measured at life -time expected credit loss	398.60
Carrying amount of trade receivables (net of impairment)	186.13

As at March 31, 2025

Ageing	Total
Gross carrying amount	446.02
Expected Credit loss - measured at life -time expected credit loss	398.60
Carrying amount of trade receivables (net of impairment)	47.42

Reconciliation of loss allowance – Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Opening provision	398.60	398.60
Add:- Additional provision made	-	-
Closing provisions	398.60	398.60

No Significant changes in estimation techniques or assumptions were made during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Significant estimates and judgements:**Impairment of financial assets**

The impairment provision for financial assets disclosed above are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity Risk

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, Company's finance department 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 below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2026	As at March 31, 2025
Floating Rate		
Expiring within one year (Current Borrowing facilities)	1,047.63	889.63
Expiring beyond one year (bank loans)	-	-

The bank loan facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the non-continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

(ii) Maturity patterns of borrowings

Particulars	As at March 31, 2026				As at March 31, 2025			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Non current borrowings (Including current maturity of long term debt)	-	-	-	-	-	-	-	-
Current borrowings	4,824.31	-	-	4,824.31	4,621.37	-	-	4,621.37
Total	4,824.31	-	-	4,824.31	4,621.37	-	-	4,621.37

Maturity patterns of Financial Liabilities - other than borrowings

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2026	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	2,689.33	365.91	488.37	461.96	4,005.56
Lease Liabilities	389.46	334.63	673.12	4,469.90	5,867.11
Other Financial Liabilities	344.12	-	11.09	117.94	473.15
Total	3,422.91	700.54	1,172.58	5,049.80	10,345.83

As at March 31, 2025	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	3,342.50	242.24	82.81	273.91	3,941.46
Lease Liabilities	290.79	209.72	431.12	3,873.01	4,804.63
Other Financial Liabilities	127.25	63.36	19.98	94.36	304.95
Total	3,760.54	515.32	533.91	4,241.28	9,051.04

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

43. Financial risk management (contd.)

Impact of Hedging Activities

(a) Disclosure of effects of hedge accounting on financial position:

Cash flow hedge of Foreign exchange risk as at March 31, 2026:

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	5,710.17	(126.13)	1:1	(126.13)	(126.13)

Cash flow hedge of Foreign exchange risk as at March 31, 2025:

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	7,285.72	11.87	1:1	11.87	11.87

(b) Disclosure of effects of hedge accounting on financial performance:

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	(126.13)	-	(11.87)	Revenue
	(126.13)	-	(11.87)	

Cash flow hedge March 31, 2025

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	11.87		(5.96)	Revenue
	11.87		(5.96)	

Amount in bracket represents expense/ loss

* The foreign exchange forward contracts and option contract are denominated in the same currency as the firm commitment (sales order/purchase orders), therefore the hedge ratio is 1:1.

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of hedging instrument match exactly with the terms of the hedged items, and so a qualitative assessment of effectiveness is performed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

43. Financial risk management (contd...)

Movements in cash flow hedging reserve

Derivative Instrument	Foreign exchange forward contracts - SELL	Foreign exchange forward contracts - BUY	Foreign exchange options	Total
Balance – As at March 31, 2024	4.29	-	-	4.29
Change in fair value of foreign exchange forward contract	11.87	-	-	11.87
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	(5.96)	-	-	(5.96)
Deferred tax relating to the above (net)	(1.64)	-	-	(1.64)
Balance – As at March 31, 2025	8.56	-	-	8.56
Change in fair value of foreign exchange forward contract	(126.13)	-	-	(126.13)
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	(11.87)	-	-	(11.87)
Deferred tax relating to the above (net)	38.39	-	-	38.39
Balance – As at March 31, 2026	(91.05)	-	-	(91.05)

Amount in bracket represents expense/ loss

44. Capital Management:

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company's management monitors the return on capital as well as the level of dividends to shareholders.

- 45** Effective 21 November 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations.

Based on the best information available and in line with the guidance issued by the Institute of Chartered Accountants of India, the Company has assessed and disclosed the incremental impact of these changes. The incremental impact, amounting to Rs. 116.35 lakhs relating to gratuity and long-term compensated absences, primarily arises from the revised definition of wages.

The Company continues to monitor the finalisation of Central/ State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

46 Additional Regulatory Information as required by Schedule III:

a) Analytical Ratios:

Sr. No.	Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance
(i)	Current ratio	Total current assets	Total current liabilities	1.05	1.15	-9%
(ii)	Debt-Equity ratio (in times)	Total Debt (Non Current and Current- Borrowings and Lease Liabilities)	Total equity	0.68	0.52	29%
(iii)	Debt Service Coverage ratio	Earning for Debt Service = Loss for the year + Depreciation and amortisation expense + Finance cost	Debt service = Finance cost + Principal repayment of lease liabilities and non-current borrowing	0.18	(0.03)	-721%
(iv)	Return on Equity ratio (%)	Loss for the year	Average shareholder's equity	-18.48%	-20.01%	-8%
(v)	Inventory turnover ratio	Cost of goods sold= Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in progress	Average inventories	0.95	1.18	-20%
(vi)	Trade Receivables turnover ratio	Revenue from operations (excluding export incentives)	Average trade receivables	7.89	7.67	3%
(vii)	Trade payables turnover ratio	Purchase of Raw Materials+ Purchases of stock-in-trade+ Other expenses	Average trade payables	3.02	4.10	-26%
(viii)	Net capital turnover ratio	Revenue from operations	Average working capital	15.32	6.28	144%
(ix)	Net profit ratio (%)	Loss for the year	Total Income	-18.17%	-21.80%	-17%
(x)	Return on capital employed (%)	Earning before interest and taxes	Capital employed = Net Worth (Total equity) + Total Debt	-7.51%	-9.73%	-23%
(xi)	Return on investment (%)	Net gain on fair value / sale of financial assets measured at fair value through profit or loss + Equity Instruments through Other Comprehensive Income	Average investments (Non-current and Current)	-10.73%	-4.06%	164%

Reasons for variance of more than 25% in above ratios -

Sr. No.	Ratio	Reasons for the Variances
(a) (ii)	Debt-Equity ratio	The Change in ratio compared to previous year is due to increase in Lease liabilities and decrease in Net Worth.
(a) (iii)	Debt Service Coverage ratio	Earnings for debt service changed due to decrease in loss in current year as compared to previous year.
(a) (Vii)	Trade payables turnover ratio	The Change in ratio compared to previous year is due to decrease in Purchases for the year.
(a) (Viii)	Net capital turnover ratio	The Change in ratio compared to previous year is due to increase in current liabilities.
(a) (Xi)	Return on investment	Due to change in market condition returns on investments in venture funds and equity instruments has decreased.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

b) Details of benami property held:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

c) Borrowing secured against current assets:

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Holding Company with banks are in agreement with the books of accounts except for the statements submitted for the quarter ended June 2025, September 2025 and December 2025. The return/statement for the quarter ended March 31, 2026 is submitted by the Company on provisional basis. The Amounts reported in the quarterly statements submitted to the banks for the aforesaid quarters are lower than the balance as per unaudited books of accounts and consideration of such reporting was to cover at a minimum the security requirements as specified in the sanction letter.

d) Wilful defaulter:

Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

e) Relationship with struck off companies:

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

f) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

g) Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

h) Utilisation of borrowed funds and share premium:

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:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

i) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

j) Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

k) Valuation of PPE, other intangible assets and investment property:

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.

l) Registration of charges or satisfaction with Registrar of Companies:

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

m) Utilisation of borrowings availed from banks and financial institutions:

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

for which such loans were taken.

- n) Title deeds of immovable properties not held in name of the Company:

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company except given below -

Description of Property	Gross Carrying Value	Held in the name of	Whether Promoter, Director or their close members or employee	Period held	Reason for not being in the Company's name
Leasehold land (pertaining to factory at Umbergaon)	1.69	Merino Knitting Industries	None	Since August 2003	Acquired pursuant to scheme of amalgamation. Management has initiated the process of getting the name transferred in Company's name

- o) The Company's international transactions and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2025. Management believes that the Company's international transactions and domestic transactions with related parties for the year ended 31 March 2026 and post 31 March 2026 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these standalone financial statements, particularly on amount of tax expense and that of provision for taxation.
- p) The Company has made preferential allotment of shares during the year amounting to ₹ 1,500 lakhs. The amount raised has been used for the purposes for which they were raised except for idle/surplus funds amounting to ₹ 974 lakhs which were not required for immediate utilization and which have been invested in liquid investments payable on demand.

47. There are no significant subsequent events that would require adjustments or disclosures in the Standalone Financial Statements as on balance sheet date.

48. The Company has used an accounting software for processing of revenue, which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of this accounting software to log any direct data changes.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, the management did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

49. These Standalone Financial Statements were authorised for issue by the directors on May 28, 2026.

As per our report of even date

For For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W / W101187

For and on behalf of Board of Directors of
Zodiac Clothing Company Limited
CIN: L17100MH1984PLC033143

sd/-
Salman Yusuf Noorani
Chairman & Managing Director
DIN: 00068423

sd/-
Mohamed Awais Jehangir Noorani
Executive Director - Exports
DIN: 00951424

sd/-
Ankush Agrawal
Partner
Membership No. 159694

sd/-
Mahabala Bealthur
Chief Financial Officer

sd/-
Kumar Iyer
Company Secretary
Membership No. ACS 9600

Place: Mumbai
Date: May 28, 2026

Place: Mumbai
Date: May 28, 2026



Sadar, Nagpur



Linking Road Santacruz, Mumbai

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZODIAC CLOTHING COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Zodiac Clothing Company 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 March 31, 2026, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information 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 consideration of report of other auditor on Consolidated Financial Statements of subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2026, of consolidated loss including other

comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as 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 Institute of Chartered Accountant of India ("ICAI"), 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	Recoverability of deferred tax assets (Refer Note 38 to the Consolidated Financial Statements) The carrying value of deferred tax assets (net) is 1,029.45 lakhs as at March 31, 2026. Deferred tax assets are recognised on unabsorbed depreciation and other deductible temporary differences as it is considered to be recoverable based on the Holding Company's projected future taxable income, in line with Ind AS 12-Income Taxes. We considered this as a Key Audit Matter due to uncertainties and significant judgement required by the Management in preparation of projected future taxable income considering the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer.	Our audit procedures with respect to this matter included, but were not limited to, the following: • Obtained an understanding, evaluated design and operating effectiveness of the relevant key controls over recording and review of deferred tax at each reporting date. • Reviewed the Holding Company's accounting policy in respect of recognizing deferred tax asset on temporary differences, unabsorbed business loss and unabsorbed depreciation. • Evaluated the judgements and assumptions made by the Management in determining the projected future taxable income for reasonableness. • We tested the computation of the amounts recognized as deferred tax assets and assessed the appropriateness of tax rate applied to the projected future taxable income. • Evaluated the competence, capabilities and objectivity of the external registered valuer engaged by the Management. • We engaged our valuation experts to assess the appropriateness of the valuation methodology, evaluate the key underlying assumptions, and verify the accuracy of the input data (such as description, area) used in the valuation report of the immovable properties. • Reviewed the adequacy of disclosures made in the Consolidated Financial Statements with regards to deferred taxes

Sr. No.	Key audit matter	How the key audit matter was addressed in our audit
2.	Assessment of carrying value of property, plant and equipment (Refer to Note 4(a) in the Consolidated Financial Statements) The carrying value of Assets is 7,938.47 lakhs as at March 31, 2026, which is significant to the balance sheet. The Management has assessed whether there are any indications for impairment of assets considering internal and external sources of information, as per Ind AS 36 Impairment of Assets. For the purposes of impairment testing, the carrying value of the cash generating unit (CGU) was compared to the recoverable amount of CGU. The Holding Company has applied fair value less costs of disposal method in determining the recoverable value of CGU. In this connection, the Management has engaged an external registered valuer to determine the fair value of immovable properties and, the fair value of other assets was determined based on management's judgement and estimates. Based on the assessment, the Management has concluded that no impairment was required as of March 31, 2026. Considering significant carrying value of Assets, involvement of valuation expert, judgment and estimates made by Management, we have considered this as a Key Audit Matter.	• We have performed audit procedures including the following: • Obtained an understanding, evaluated design and operating effectiveness of the relevant key controls relating to impairment assessment including determining recoverable value of Assets. • Assessed whether the Holding Company's identification of CGU is appropriate. • Evaluated the competence, capabilities and objectivity of the external registered valuer engaged by the Management for valuation of immovable properties. • We engaged our valuation experts to assess the appropriateness of the valuation methodology, evaluate the key underlying assumptions, and verify the accuracy of the input data (such as description, area) used in the valuation report of the immovable properties. • Evaluated the reasonableness of assumptions applied by management, in determining the fair value of other assets. • Performed sensitivity analysis over the key assumptions, to assess the potential impact on impairment results and the range of possible outcomes of recoverable value of Assets. • Reviewed the adequacy of disclosures made in the Consolidated Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Corporate Governance report, and Director's Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is 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 financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 the Group 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group 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 Standards on Auditing (“SAs”) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a) We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹4,566.93 lakhs as at March 31, 2026, total revenues of ₹332.56 lakhs, net loss (including other comprehensive loss of ₹380.54 lakhs and net cash outflows amounting to ₹142.42 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have 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 reports of the other auditor.
- b) We did not audit the financial information of two subsidiaries whose financial information reflect total assets of ₹10.59 lakhs as at March 31, 2026, total revenues of ₹0.59 lakhs, net loss (including other comprehensive loss) of ₹17.51 lakhs and net cash outflows amounting to ₹17.77 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have 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 such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, except that the back-up of the books of account and other books and papers maintained in electronic mode by the Holding Company located in India has not been taken on a daily basis as explained in Note 51 to the Consolidated Financial Statements and also for the matters stated in the paragraph 2 (h)(vi) below on reporting under Rule 11(g).
- 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 Flow 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 Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3) (b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
- g. With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 40 to the Consolidated Financial Statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (1) The Management of the Holding Company has represented to us, to the best of their knowledge and belief, 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 with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties 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.

- (2) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our or other auditors' notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The Holding Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Holding Company has used two accounting software systems to maintain its books of account which have a feature for recording audit trails (edit logs) facility, except that no audit trail feature was enabled at the database level in respect of one accounting software to capture direct data changes, as explained in Note 53.1 to the Consolidated Financial Statements.

Further, where enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting softwares. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting softwares. Additionally, the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

The said clause is not applicable to subsidiary companies as none of the subsidiary companies are incorporated in India.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder. The said clause is not applicable to subsidiary companies as none of the subsidiary companies are incorporated in India.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company, we report that there are no Qualifications/adverse remarks. None of the subsidiary companies are incorporated in India, accordingly, our reporting in this regard is limited to reporting on the Holding Company.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/101187W

sd/-

Ankush Agrawal

Partner

Membership No.159694

UDIN: 26159694UMQGAP7540

Place: Mumbai

Date: May 28, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included

in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 for the year ended March 31, 2026, 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.

For **M S K A & Associates LLP (Formerly known as M S K A & Associates)**
Chartered Accountants
ICAI Firm Registration No. 105047W/101187W

sd/-
Ankush Agrawal
Partner
Membership No.159694
UDIN: 26159694UMQGAP7540

Place: Mumbai
Date: May 28, 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED

Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Zodiac Clothing Company Limited on the consolidated Financial Statements for the year ended March 31, 2026

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls reference to Consolidated Financial Statements of Zodiac Clothing Company Limited (hereinafter referred to as "the Holding Company"), as of that date. Since all the subsidiaries are incorporated outside India, the reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to them.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the respective companies 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 ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The Management and the Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies 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 respective 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 Consolidated Financial Statements of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements of the Holding Company.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates LLP (Formerly known as M S K A & Associates)**

Chartered Accountants

ICAI Firm Registration No. 105047W/101187W

sd/-

Ankush Agrawal

Partner

Membership No.159694

UDIN: 26159694UMQGAP7540

Place: Mumbai

Date: May 28, 2026

ZODIAC CLOTHING COMPANY LIMITED
Consolidated Balance Sheet as at March 31, 2026
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
I	ASSETS			
1	Non-current assets			
	Property, plant and equipment	4(a)	8,467.37	8,724.40
	Capital work-in-progress	4(b)	-	122.90
	Investment properties	5	1,005.34	1,044.23
	Right-of-use assets	4(c)	5,395.81	4,441.44
	Other intangible assets	6	105.19	96.69
	Financial assets			
	- Investments	7	2,727.01	3,609.28
	- Loans	8	826.71	756.74
	- Others financial assets	9	912.62	973.94
	Deferred tax assets (net)	35	1,029.45	1,029.45
	Non - Current tax assets (net)	35	1,080.33	1,078.32
	Other non - current assets	10	94.13	265.77
	Total Non-current assets		21,643.96	22,143.16
2	Current assets			
	Inventories	11	6,146.72	6,553.96
	Financial assets			
	- Investments	12	1,203.93	221.15
	- Trade receivables	13	1,897.80	2,064.07
	- Cash and cash equivalents	14	582.94	712.83
	- Bank Balances other than cash and cash equivalents	15	0.44	1.11
	- Loans	16	15.20	11.52
	- Others financial assets	17	257.97	363.55
	Other current assets	18	2,462.14	2,932.32
	Total Current assets		12,567.14	12,860.51
	TOTAL ASSETS		34,211.10	35,003.67
II	EQUITY AND LIABILITIES			
1	Equity			
	Equity share capital	19	2,745.81	2,599.37
	Other equity	20	15,452.48	17,954.81
	Total Equity		18,198.29	20,554.18
2	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	- Lease Liabilities	4(c)	4,461.53	3,873.01
	- Other financial liabilities	23	67.10	65.97
	Provisions	24	39.73	17.52
	Other non-current liabilities	26	9.41	12.62
	Total Non-current liabilities		4,577.77	3,969.12
	Current liabilities			
	Financial liabilities			
	- Borrowings	21	4,824.31	4,621.37
	- Lease Liabilities	4(c)	1,405.58	931.62
	- Trade payables	22		
	- total outstanding dues of micro enterprises and small enterprises		17.34	14.54
	- total outstanding dues of creditors other than micro enterprises and small enterprises		3,995.95	3,819.12
	- Other financial liabilities	23	411.75	243.69
	Provisions	24	62.28	55.08
	Current tax liabilities (net)	25	-	1.30
	Other current liabilities	26	717.83	793.65
	Total Current liabilities		11,435.04	10,480.37
	Total liabilities		16,012.81	14,449.49
	TOTAL EQUITY AND LIABILITIES		34,211.10	35,003.67
	SUMMARY OF MATERIAL ACCOUNTING POLICIES	2		

The accompanying notes (1 - 51) are an integral part of these Consolidated Financial Statements

As per our attached report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants

Firm Registration Number: 105047W / W101187

sd/-

Ankush Agrawal

Partner

Membership No. 159694

Place: Mumbai

Date: May 28, 2026

For and on behalf of Board of Directors of
Zodiac Clothing Company Limited

CIN: L17100MH1984PLC033143

sd/-

Salman Yusuf Noorani

Chairman & Managing Director

DIN: 00068423

sd/-

Mahabala Bealthur

Chief Financial Officer

Place: Mumbai

Date: May 28, 2026

sd/-

Mohamed Awais Jehangir Noorani

Executive Director - Exports

DIN: 00951424

sd/-

Kumar Iyer

Company Secretary

Membership No. ACS 9600

ZODIAC CLOTHING COMPANY LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2026
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	Year Ended March 31, 2026	Year ended March 31, 2025
I	INCOME			
	Revenue from operations	27	16,151.36	17,440.25
	Other income	28	1,284.73	1,341.83
	Total Income		17,436.09	18,782.08
II	EXPENSES			
	Cost of materials consumed	29	5,796.03	7,077.08
	Purchases of stock-in-trade		240.71	808.40
	Changes in inventories of finished goods, stock-in-trade and work-in progress	30	68.04	(414.90)
	Employee benefit expenses	31	4,668.46	4,600.45
	Finance costs	32	1,013.91	793.81
	Depreciation and amortisation expense	33	2,379.19	2,040.02
	Other expenses	34	6,648.42	7,488.13
	Total expenses		20,814.76	22,392.99
III	Loss before tax		(3,378.67)	(3,610.91)
IV	Income tax expense	35		
	Current tax		0.57	1.29
	Deferred tax charge		124.77	105.73
	Tax in respect of earlier years		-	1.66
	Total Income tax expense		125.34	108.68
V	Loss for the year		(3,504.01)	(3,719.59)
VI	Other comprehensive (loss) / income			
	(i) Items that will not be reclassified subsequently to profit or loss			
	- Remeasurements of net defined benefit plans	39	(48.20)	47.36
	- Equity Instruments through other comprehensive income		(524.61)	(431.65)
	- Income tax relating to above items		86.38	46.87
	(ii) Items that will be reclassified subsequently to profit or loss			
	- Net gains / (losses) on cash flow hedges	45	(138.00)	5.91
	- Exchange differences on translation of Foreign Currency Translation Reserve		234.16	(2.19)
	- Income tax relating to above items		38.39	(1.64)
	Other comprehensive (loss) / income for the year, net of tax		(351.88)	335.34
VII	Total comprehensive (loss) for the year		(3,855.89)	(4,054.93)
VIII	Loss attributable to:			
	Owners of the Company		(3,504.01)	(3,719.59)
	Non Controlling Interest		-	-
IX	Other comprehensive (loss) / income attributable to:			
	Owners of the Company		(351.88)	(335.34)
	Non Controlling Interest		-	-
X	Total comprehensive (loss) / income attributable to:			
	Owners of the Company		(3,855.89)	(4,054.93)
	Non Controlling Interest		-	-
XI	Loss per equity share of ₹ 10 each (INR)	38		
	Basic (₹)		(13.33)	(14.31)
	Diluted (₹)		(13.33)	(14.31)
XII	SUMMARY OF MATERIAL ACCOUNTING POLICES	2		

The accompanying notes (1 - 51) are an integral part of these Consolidated Financial Statements

As per our attached report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W / W101187
sd/-

Ankush Agrawal
Partner
Membership No. 159694

Place: Mumbai
Date: May 28, 2026

For and on behalf of Board of Directors of
Zodiac Clothing Company Limited
CIN: L17100MH1984PLC033143

sd/-
Salman Yusuf Noorani
Chairman & Managing Director
DIN: 00068423

sd/-
Mahabala Bealthur
Chief Financial Officer

Place: Mumbai
Date: May 28, 2026

sd/-
Mohamed Awais Jehangir Noorani
Executive Director - Exports
DIN: 00951424

sd/-
Kumar Iyer
Company Secretary
Membership No. ACS 9600

ZODIAC CLOTHING COMPANY LIMITED

Statement of Consolidated Cash Flows for the year ended March 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(3,378.67)	(3,610.91)
Adjustments for:		
Depreciation and amortisation expense	2,379.19	2,040.02
Finance costs	1,013.91	793.81
Net unrealised foreign exchange loss/ (gain)	203.67	(70.63)
Dividend Income	(11.40)	(6.30)
Investment impairment allowance written back	-	(67.73)
Rent income	(394.84)	(387.87)
Unwinding of discount on security deposits	(47.60)	(45.21)
Interest income	(12.99)	(53.69)
Gain on sale of financial assets	(336.50)	(527.28)
Loss on fair value of financial assets measured at fair value through profit or loss	228.13	302.29
Liabilities no longer required written back	(69.32)	-
Bad debts and advances written off	113.72	129.18
Gain on termination of lease contracts	(64.57)	(65.84)
Net gain on sale of Investment properties	(193.95)	-
Net loss on sale/discard of property, plant and equipment	97.68	75.76
Operating loss before working capital changes	(473.54)	(1,494.40)
Adjustments for:		
Decrease in trade and other receivables	1,031.09	10.81
Decrease/ (Increase) in inventories	407.24	(579.95)
(Decrease)/ Increase in trade payable and other liabilities	(8.54)	610.94
(Decrease)/ Increase in provisions	(18.79)	31.44
Cash (used in) / generated from operating activities	937.46	(1,421.16)
Add: Direct taxes refund received	3.02	16.73
Net cash flow used in operating activities (A)	940.48	(1,404.43)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment, other intangible assets and movement in capital advances and capital work-in-progress	(442.07)	(376.68)
Purchase of current investments	(1,517.59)	(1,365.54)
Investment (made in) / Proceeds from Term Deposits (net)	(78.01)	12.31
Sale proceeds of property, plant and equipment	7.74	5.21
Sale proceeds of investment property (net of incidental expenses)	208.58	-
Interest income	8.56	25.42
Rent income	394.84	387.87
Sale proceeds of non-current investments	447.58	487.57
Sale proceeds of current investments	552.34	3,265.06
Dividend income	11.40	6.30
Loans received (net)	-	262.95
Net cash (used in) / generated from Investing Activities (B)	(406.63)	2,710.47
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares (including securities premium)	1,500.00	-
(Repayment)/ Proceeds from current borrowings	(83.06)	396.01
Proceeds towards loan from directors	784.61	440.00
Repayment of non-current borrowings	-	(258.78)
Repayment of loan from directors	(498.61)	-
Payment of principal portion of lease liabilities	(1,391.97)	(1,145.63)
Interest paid on lease liabilities	(565.72)	(425.28)
Interest paid on others	(408.99)	(352.39)
Net cash used in financing activities (C)	(663.74)	(1,346.07)
Net decrease in cash and cash equivalents (A + B + C)	(129.89)	(40.03)
Add : Cash and cash equivalents at beginning of the year	712.83	752.86
Cash and cash equivalents at end of the year (Refer note 14)	582.94	712.83

ZODIAC CLOTHING COMPANY LIMITED

Statement of Consolidated Cash Flows for the year ended March 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Net debt reconciliation	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	582.94	712.83
Current Borrowings (including interest accrued but excluding current maturities of long term debt)	(4,878.52)	(4,639.52)
Lease liabilities	(5,867.11)	(4,804.63)
Total	(10,162.69)	(8,731.32)

Particulars	Cash and Cash equivalents	Lease Liabilities	Non current borrowings (Including interest accrued)	Current borrowings (Including interest accrued)	Total
Net Debt as at 31, 2024	752.86	(4,559.34)	(258.78)	(3,791.46)	(7,856.72)
Cash flows	(40.03)	1,145.63	258.78	(836.01)	528.37
Acquisitions-Leases	-	(1,871.34)	-	-	(1,871.34)
Termination Leases	-	480.42	-	-	480.42
Interest expense	-	(425.28)	(11.63)	(334.99)	(771.90)
Interest paid	-	425.28	11.63	322.94	759.85
Net Debt as at 31, 2025	712.83	(4,804.63)	0.00	(4,639.52)	(8,731.32)
Cash flows	(129.89)	1,391.97	-	(202.94)	1,059.14
Acquisitions-Leases	-	(3,099.06)	-	-	(3,099.06)
Termination Leases	-	644.61	-	-	644.61
Interest expense	-	(565.72)	-	(395.05)	(960.77)
Interest paid	-	565.72	-	358.99	924.71
Net Debt as at 31, 2026	582.94	(5,867.11)	0.00	(4,878.52)	(10,162.69)

Notes: The above Statement of Consolidated Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) on Statement of Cash Flows.

The accompanying notes (1 - 51) are an integral part of these Consolidated Financial Statements

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W / W101187

For and on behalf of Board of Directors of
Zodiac Clothing Company Limited
CIN: L17100MH1984PLC033143

sd/-
Salman Yusuf Noorani
Chairman & Managing Director
DIN: 00068423

sd/-
Mohamed Awais Jehangir Noorani
Executive Director - Exports
DIN: 00951424

sd/-
Ankush Agrawal
Partner
Membership No. 159694

sd/-
Mahabala Bealthur
Chief Financial Officer

sd/-
Kumar Iyer
Company Secretary
Membership No. ACS 9600

Place: Mumbai
Date: May 28, 2026

Place: Mumbai
Date: May 28, 2026

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

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

	Notes	Amount
As at March 31, 2024		2,599.37
Changes in equity share capital	19	-
As at March 31, 2025		2,599.37
Changes in equity share capital	19	146.44
As at March 31, 2026		2,745.81

B. Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income (OCI)				Total	
	Securities Premium	Amalgamation Reserves	State Cash Subsidy	Capital Redemption Reserve	Statutory Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	FVOCI - Debt Instruments	Cash Flow Hedging Reserve		Foreign Currency Translation Reserve
As at March 31, 2024	10,749.10	8.16	15.84	200.00	17.98	2,693.15	6,045.98	1,443.59	(13.99)	4.29	845.75	22,009.74
Loss for the year	-	-	-	-	-	-	(3,719.59)	-	-	-	(2.19)	(3,719.59)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	(2.19)
Remeasurement of defined benefit obligation	-	-	-	-	-	-	47.36	-	-	-	-	47.36
Changes in fair value of equity instruments through other	-	-	-	-	-	-	-	(384.78)	-	-	-	(384.78)
Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of Debt instruments through other	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	8.56	-	8.56
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	(4.29)	-	(4.29)
(Refer note 45)	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-
(Refer note 45)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Loss for the year							(3,672.23)	(384.78)	-	4.27	(2.19)	(4,054.93)
As at March 31, 2025	10,749.10	8.16	15.84	200.00	17.98	2,693.15	2,373.75	1,058.81	(13.99)	8.56	843.56	17,954.81
Loss for the year	-	-	-	-	-	-	(3,504.01)	-	-	-	-	(3,504.01)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	234.16	234.16
Remeasurement of defined benefit obligation	-	-	-	-	-	-	(48.20)	-	-	-	-	(48.20)
Changes in fair value of equity instruments through other	-	-	-	-	-	-	-	(438.23)	-	-	-	(438.23)
Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	(91.05)	-	(91.05)
(Refer note 45)	-	-	-	-	-	-	-	-	-	(8.56)	-	(8.56)
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	(3,552.21)	(438.23)	-	(99.61)	234.16	(3,855.89)
(Refer note 45)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Loss for the year												
Transactions with owners in their capacity as owners:												
Premium Received on Issue of Equity Shares	1,353.56	-	-	-	-	-	-	(438.23)	-	(99.61)	234.16	1,353.56
As at March 31, 2026	12,102.66	8.16	15.84	200.00	17.98	2,693.15	(1,178.46)	620.58	(13.99)	(91.05)	1,077.72	15,452.48

The accompanying notes (1 - 51) are an integral part of these Consolidated Financial Statements

As per our attached report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)

Chartered Accountants
Firm Registration Number: 105047W / W101187

sd/-

Place: Mumbai

Date: May 28, 2026

Partner

Membership No. 159694

For and on behalf of Board of Directors of

Zodiac Clothing Company Limited

CIN: L17100MH1984PLC033143

sd/-

Salman Yusuf Noorani

Chairman & Managing Director

DIN: 00068423

sd/-

Mahabala Bealthur

Chief Financial Officer

Place: Mumbai

Date: May 28, 2026

Membership No. ACS 9600

sd/-

Mohamed Awais Jehangir Noorani

Executive Director - Exports

DIN: 00951424

sd/-

Kumar Iyer

Company Secretary

Membership No. ACS 9600

1 Background and Operations

Zodiac Clothing Company Limited ('the Company') incorporated in India and its subsidiary and step down subsidiaries together constitutes the Zodiac Group ('the Group'), which mainly deals in clothing and clothing accessories.

2 Material accounting policies

(a) Basis of preparation of Consolidated Financial Statements

(i) Compliance with Ind AS

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015 (as amended)], and other relevant provisions of the Act.

(ii) Going Concern Assessment

The Group has incurred losses of ₹3,504.01 lakhs and has an accumulated losses of ₹1,178.46 lakhs as at March 31, 2026.

The Directors of the Group have assessed the Group's liquidity position, including its current year losses and accumulated losses, together with its available financial resources, expected cash flows and business plans. The Board of Directors are confident of the Group's ability to meet its obligation at least for the next twelve months from the balance sheet date as the net current assets increase exceeds its net current liabilities by ₹1,132.10 lakhs. Accordingly, these Consolidated Financial Statements have been prepared on a going concern basis.

(iii) Historical cost convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iv) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(v) Rounding off amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

(b) Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when

the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the holding company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Use of estimates and judgments

The estimates and judgments used in the preparation of the Consolidated Financial Statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialized. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

The Group depreciates its property, plant and equipment in respect of Zodiac Clothing Company Limited, India on a straight line method net of residual values over the useful life in the manner prescribed in Schedule II of the Act, and management believes that useful lives of assets are same as those prescribed in Schedule II of the Act, except for the following class of assets, useful life for which is based on a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

technical evaluation, taking into consideration nature of Group's business and past experience of usage of such assets :

Description of asset	Useful life followed by the Group	Useful life as prescribed under Schedule II
Buildings	31 Years	30 - 60 Years
Plant and equipment	21 Years *	15 Years *
Furniture and fixtures	16 Years	10 Years
Office equipment's	21 Years	5 Years
Computer (including servers)	6 Years	3 - 6 Years
Electrical Installation	21 Years	10 Years

* Based on single shift

In respect of Zodiac Clothing Company (U.A.E.) LLC., UAE, the useful life are as follows:

Description of asset	Useful life
Factory Building	10 Years
Plant and equipment	8 Years
Furniture and fixtures	10 Years
Vehicles	5 Years

The residual values are generally not more than 5% of the original cost of the asset.

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term. Period of lease is either the primary lease period or where the Group as a lessee has the right of renewal of lease, and it is intended to renew for further periods, then such extended period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is initially recognized at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties, net of residual value are depreciated using the straight-line method over their useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in Schedule II of the Act.

(f) Other intangible assets

Computer software

Computer software are stated at cost, less accumulated amortization and impairments, if any.

Amortisation method

The Group amortizes intangible assets using the straight-line method over following period:

Nature of intangible asset	Useful life
Computer Software	6 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(g) Lease

As lessee

The Group's lease asset classes primarily consist of leases for Land and Buildings. The Group assesses whether a contract is or contains a lease, at inception of a contract. 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.

At the date of commencement of the lease, the Group recognizes a right-of-use assets ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these leases of short term and low value assets, the Group recognizes the lease payments as an operating expense on a straight line basis over the term of the lease. Variable lease payments that depend on sales are recognized in the Statement of Profit and Loss in the period in which the condition that triggers those payments occurs.

The lease liability is initially measured at the present value of the future lease payments and payments to be made under reasonably certain extension option are also included in measurement of liability. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. 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.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease

liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. The amount on remeasurement of lease liability is adjusted to the right of use asset and any remaining amount is recognized in Statement of Profit and Loss.

Lease liability and ROU asset have been presented separately on the face of the Balance Sheet and lease payments have been classified as financing cash flows.

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

Variable Lease Payments

Certain property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores, etc.. Variable lease payments that depend on sales are recognised in Statement of Profit and Loss in the period in which the condition that triggers those payments occurs.

As lessor

Lease income from operating leases where the Group is a lessor is recognized as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(h) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, Bank overdrafts, deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(I) Inventories

Inventories of Raw Materials, Work-in-Progress,

Stock-in-trade, Stores and spares and Finished Goods are stated 'at cost or net realizable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'First-in-First-Out', 'Weighted Average cost' or 'Specific Identification', as applicable.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be utilized are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

Slow-moving, non-moving & defective inventories are identified and wherever necessary, provision is made for such inventories considering various factors such as likely usage, obsolescence etc.

The inventories resulting from intra-group transactions have been stated at cost after deducting unrealized profit on such transactions.

(J) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Recognition

Purchases and sales of financial assets are recognized on trade - date, being the date on which the Group commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction

costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss and recognized in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit and loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Group subsequently measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized as other income in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of financial assets

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

(a) Financial assets are measured at amortized cost e.g., loans, deposits and bank balance.

(b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(v) Derecognition

A financial asset is derecognized only when

- the Group has transferred the rights to receive the cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(vi) Income recognition

Interest income

Interest income from debt instruments is recognized using the effective interest rate method.

Dividends

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established.

(k) Borrowings

Borrowings are initially recognized at net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(l) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be

reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense in Statement of Profit and Loss.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

Contingent assets disclosed in respect of possible asset that may arise from past event and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events.

(m) Revenue recognition

Sale of goods - Wholesale

Sales are recognized when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transferred to customer and the Group has objective evidence that all criteria for the acceptance have been satisfied. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of goods - Retail

The Group operates a chain of retail stores. Revenue from the sale of goods is recognized when the Group entity sells a product to the customer. Payment of transaction price is generally due immediately when the customer purchases the goods and takes delivery in store.

Service income

Sale of services - Revenue is recognized based on actual service provided at the end of the reporting period as proportion of total service to be provided.

Other operating revenue - Export incentives

Export incentives under various schemes of Government of India are accounted on accrual basis on the basis of exports made and when there is reasonable assurance that the Group entity will comply with the conditions and incentive will be received.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

Defined Benefits Plan

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Defined Contribution Plans

The Group pays Provident Fund (PF) contributions, Employees State Insurance Scheme (ESIC) etc., to publicly administered funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefits expense when they are due.

(iii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The

present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(o) Foreign currency transactions

(i) Functional and presentation currency

The Consolidated Financial Statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

(iii) Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to Statement of Profit and Loss, as a part of gain or loss on sale.

(p) Derivative and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated

as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of firm commitment transactions (sales orders/purchase orders) (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objectives and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than or equal to 12 months.

Cash flow hedges that qualify for hedge accounting –

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge.

When forward contracts are used to hedge forecast transactions, the Group designates them in entirety as the hedging instrument. Gains or losses relating to effective portion of fair value of forward contracts are recognized in the other comprehensive income in the cash flow hedging reserve within other equity.

When the option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the option contract as the hedging instrument.

“Amounts accumulated in equity are reclassified to statement of profit and loss in the periods when the hedged item affects profit or loss i.e when the underlying sales or purchase transaction occurs. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Profit and Loss.”

Derivative Contracts other than cash flow hedges:

Derivative contracts which are not designated

as cash flow hedges, are accounted for at fair value through profit or loss and are included in Statement of Profit and Loss.

(q) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(r) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and - the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

(s) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, being the Managing Director of the Group, assesses the financial performance and position of the Group and makes strategic decisions.

(t) Impairment of non-financial assets:

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(u) Government Grants

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

(v) Recent Accounting Pronouncements:

The Ministry of corporate Affairs ("MCA") notified amendments on 7 May 2025 and 13 August 2025 under the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian

Accounting Standards) Second Amendment Rules, 2025, respectively, which is effective from annual reporting periods beginning on or after 1 April 2025.

(a) Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement:

The amendments to Ind AS 7 'Statement of Cash Flows' and Ind AS 107 'Financial Instruments: Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Group does not have any supplier finance arrangements during the reporting period.

(b) Amendment to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants:

The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

- a) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- b) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- c) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument. "

These amendments have no effect on the measurement of any items in the consolidated financial statements of the Group. The Group did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

c) Amendment to Ind AS 12 – Pillar-Two Tax Reforms

The Group is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Group operates.

d) Amendment to Ind AS 21-Lack of exchangeability

The Amendments introduces requirement to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the consolidated financial statements of the Group.

The below amendments are notified but not yet effective

Amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants:

The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

- a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.
- b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.
- c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

The Group does not expect this amendment to have an impact on its operations or consolidated financial statements.

3. Critical estimates and judgements

The preparation of Consolidated Financial Statements requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation (Refer note 39)
- Recoverability of deferred tax assets (Refer note 35)
- Allowance for doubtful debts (Refer note 13 and 45)
- Fair value of Investment properties (Refer note 5)
- Direct tax litigations (Refer note 37)
- Determination of lease term (Refer note 4(c))
- Impairment of non-financial assets (Refer note 2(t))
- Provision for Inventory Obsolescence (Refer note 2(i) and 11)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(a) Property, plant and equipment

	Freehold Land	Buildings	Leasehold Improvement	Plant & Machinery	Furniture & fixtures	Vehicles	Office equipment	Computer	Electrical Installation	Total
Gross carrying amount										
Balance as at March 31, 2024	362.47	3,542.33	2,011.05	3,246.77	2,519.89	64.54	649.78	157.18	895.68	13,449.70
Additions	-	392.66	96.89	241.31	29.75	74.86	1.54	11.61	55.94	904.54
Disposals	-	-	118.58	16.76	37.31	-	3.91	0.38	44.52	221.45
Currency Alignment	-	198.52	-	3.96	7.89	4.94	-	-	-	215.30
Balance as at March 31, 2025	362.47	4,133.51	1,989.36	3,475.28	2,520.22	144.34	647.41	168.41	907.10	14,348.09
Additions	-	155.43	116.55	254.78	46.59	-	-	12.31	76.14	661.80
Disposals	-	-	120.43	41.58	53.29	-	10.95	-	48.29	274.54
Currency Alignment	-	-	-	30.23	25.53	11.54	-	-	-	67.30
Balance as at March 31, 2026	3,62.47	4,288.94	1,985.48	3,718.71	2,539.05	155.88	636.46	180.72	934.95	14,802.65
Accumulated Depreciation										
Balance as at March 31, 2024	-	687.94	1,014.19	1,195.82	1,285.12	54.73	273.32	124.96	283.05	4,919.14
Additions	-	106.08	106.71	194.57	201.19	2.66	35.76	9.98	50.21	707.16
Disposals	-	-	83.24	13.34	26.74	-	1.44	0.38	15.34	140.48
Currency Alignment	-	121.36	-	3.96	7.59	4.95	-	-	-	137.87
Balance as at March 31, 2025	-	915.38	1,037.66	1,381.01	1,467.17	62.34	307.64	134.56	317.92	5,623.69
Additions	-	133.67	110.03	214.92	187.46	16.72	35.07	9.69	51.45	759.01
Disposals	-	-	83.48	28.31	41.11	-	4.84	-	11.38	169.12
Currency Alignment	-	106.54	-	3.35	6.53	5.28	-	-	-	121.70
Balance as at March 31, 2026	-	1,155.59	1,064.21	1,570.97	1,620.05	84.34	337.87	144.25	357.99	6,335.28
Carrying amount										
Balance as at March 31, 2025	362.47	3,218.13	951.70	2,094.27	1,053.05	82.00	339.77	33.85	589.18	8,724.40
Balance as at March 31, 2026	362.47	3,133.35	921.27	2,147.74	919.00	71.54	298.59	36.47	576.96	8,467.37

4(b) Capital Work in Progress

Capital Work in Progress (Refer Note iv)	Opening carrying amount	Additions	Disposals	Transfer	Closing carrying amount
For the year ended March 31, 2025	596.28	122.90	-	596.28	122.90
For the year ended March 31, 2026	122.90	-	-	122.90	-

Ageing of CWIP

Project in Progress	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
For the year ended March 31, 2025	122.90	-	-	-	122.90
For the year ended March 31, 2026	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(b) Capital Work in Progress (Contd...)

- Refer note 37(ii)(a) for disclosure of contractual commitments for acquisition of Property, plant and equipment.
- Refer note 36 for information on Property, plant and equipment pledged as security by the Group.
- In case of Zodiac Clothing Company (U.A.E.) LLC, Factory building (carrying value of ₹ 133.95 Lakhs (Previous year ₹ 162.31 Lakhs)) is constructed on leasehold land which is in name of U.A.E. national shareholder.
- Actual cost of capital projects in progress has not exceeded the estimated cost and the actual timelines for completion of projects has not exceeded the estimated timelines in respect of the amounts reported in 4(b), as at end of each reporting period. Accordingly, completion schedule is not presented. CWIP as at March 31, 2025 majorly comprises of costs directly attributable to Plant & Machinery. There are no projects which are suspended as on March 31, 2026 and March 31, 2025.

4(c) Right-of-use assets and leases

This note provides information for leases where the Group is a lessee. The Group leases Land and Building (retail stores and offices). Rental contracts are typically made for periods of 1 year to 9 years, but may have extension options as described in (iv) below.

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2026	As at March 31, 2025
Right of use assets		
- Leasehold Land	0.54	0.74
- Buildings	5,395.27	4,440.70
Total	5,395.81	4,441.44

Set out below are the carrying amounts of right-of-use assets recognised and movements during the year:

Particulars	Lease hold Land	Buildings	Total right of use assets
I. Gross carrying amount			
Balance as at March 31, 2024	2.54	6,474.38	6,476.92
Additions	-	1,934.26	1,934.26
Deductions on disposals	-	767.29	767.29
Balance as at March 31, 2025	2.54	7,641.35	7,643.89
Additions	-	3,099.06	3,099.06
Deductions on disposals	-	2,506.92	2,506.92
Balance as at March 31, 2026	2.54	8,233.49	8,236.03
II. Accumulated depreciation			
Balance as at March 31, 2024	1.60	2,283.33	2,284.93
Depreciation expense for the year	0.20	1,270.03	1,270.23
Deductions on disposals	-	352.71	352.71
Balance as at March 31, 2025	1.80	3,200.65	3,202.45
Depreciation expense for the year	0.20	1,564.45	1,564.65
Deductions on disposals	-	1,926.88	1,926.88
Balance as at March 31, 2026	2.00	2,838.22	2,840.22
Carrying amount			
Balance as at March 31, 2025	0.74	4,440.70	4,441.44
Balance as at March 31, 2026	0.54	5,395.27	5,395.81

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities		
Current	1,405.58	931.62
Non-Current	4,461.53	3,873.01
Total	5,867.11	4,804.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(c) Right-of-use assets and leases (Contd...)**(ii) Amounts recognised in the statement of profit and loss**

Particulars	Note No.	Year Ended March 31, 2026	Year Ended March 31, 2025
Depreciation charge of Right-of-use assets			
- Leasehold Land	33	0.20	0.20
- Buildings	33	1,564.45	1,270.03
		1,564.65	1,270.23
Gain on termination / remeasurement of lease contracts (included in other income)	28	64.57	65.84
Interest expense (included in finance costs)	32	565.72	425.28
Rent			
- Expense relating to short-term leases (included in other expenses)	34	133.65	387.75
- Expense relating to variable lease payments not included in lease liabilities	34	171.58	164.72
		305.23	552.47

The total cash outflow for leases for the year ended March 31, 2026 was ₹ 2,262.92 Lakhs (March 31, 2025 ₹ 2,123.38 Lakhs) (including short term and variable lease payments).

(iii) Variable Lease Payments

Certain property leases contain variable payment terms that are linked to sales generate from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores, re-evaluation done post Covid-19 etc. Variable lease payments that depend on sales are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

(iv) Extension and termination options

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

(v) Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended.

For leases of retail stores, the Group considers factors such as historical lease durations and the costs and business disruption required to replace the leased asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

5. Investment Properties

Particulars	Building	Total
Gross carrying amount		
Balance as at March 31, 2024	1,259.64	1,259.64
Additions	-	-
Deductions on disposals	-	-
Balance as at March 31, 2025	1,259.64	1,259.64
Additions	-	-
Deductions on disposals	24.43	24.43
Balance as at March 31, 2026	1,235.21	1,235.21
Accumulated depreciation		
Balance as at March 31, 2024	191.16	191.16
Additions	24.25	24.25
Deductions on disposals	-	-
Balance as at March 31, 2025	215.41	215.41
Additions	24.26	24.26
Deductions on disposals	9.80	9.80
Balance as at March 31, 2026	229.87	229.87
Net carrying amount		
Balance as at March 31, 2025	1,044.23	1,044.23
Balance as at March 31, 2026	1,005.34	1,005.34

Notes:

(i) Amounts recognised in Statement of Profit and Loss for investment properties:

Particulars	As at March 31, 2026	As at March 31, 2025
Rental income derived from investment properties	385.84	378.87
Direct operating expenses (including repairs and maintenance) of investment properties	10.70	10.25
Income arising from investment properties before depreciation	375.14	368.62
Depreciation	24.26	24.25
Income arising from investment properties (Net)	350.88	344.37

(ii) Premises given on operating lease:

The Group has given certain investment properties on operating lease. These lease arrangements range for a period between 1 year to 9 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable in respect of non-cancellable leases at the Balance Sheet date is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
For a period not later than one year	39.32	37.44
For a period later than one year and not later than five years	16.71	56.03
For a period later than five years	-	-

(iii) Fair value

Particulars	Investment Properties
	Building
As at March 31, 2025	6,461.22
As at March 31, 2026	6,775.66

Significant Estimates:

Estimation of fair value

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in active market for similar properties.

The fair valuation of investment properties has been determined by registered independent valuers as defined under Companies Act, 2013. The main inputs used are the prevailing market rates and recent sale of similar properties, etc. The fair value measurement is categorised in level 3 fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

6 Intangible assets

	Computer Software
Gross carrying amount	
Balance as at March 31, 2024	633.72
Additions	21.26
Disposals	-
Balance as at March 31, 2025	654.98
Additions	39.77
Disposals	-
Balance as at March 31, 2026	694.75
Accumulated amortisation	
Balance as at March 31, 2024	519.91
Additions	38.38
Disposals	-
Balance as at March 31, 2025	558.29
Additions	31.27
Disposals	-
Balance as at March 31, 2026	589.56
Net carrying amount	
Balance as at March 31, 2025	96.69
Balance as at March 31, 2026	105.19

7 Non-current Investments

		As at March 31, 2026		As at March 31, 2025	
		No. of Shares / NCD / Units	Amount	No. of Shares / NCD / Units	Amount
A	<u>Investment in Equity Instruments</u>				
	Quoted				
	At Fair value through Other Comprehensive Income				
	Shoppers Stop Limited (Equity Shares of ₹5 each)	221,024	638.76	221,024	1,210.66
	Aditya Birla Capital Limited (Equity Shares of ₹10 each)	138	0.40	138	0.26
	Grasim Industries Limited (Equity Shares of ₹2 each)	99	2.53	99	2.59
	Aditya Birla Fashion and Retail Limited (Equity Shares of ₹10 each)	343	0.18	343	0.88
	Hindalco Industries Limited (Equity Shares of ₹1 each)	830	7.34	830	5.66
	Coramandel International Limited (Equity Shares of ₹1 each)	108	2.06	108	2.16
	Indraprastha Medical Limited (Equity Shares of ₹10 each)	5,000	18.62	5,000	19.30
	Karur Vysya Bank Limited (Equity Shares of ₹2 each)	39,280	113.68	32,733	68.45
	Maan Alluminium Limited (Equity Shares of ₹5 each)	4,000	4.84	4,000	3.07
	Spentex Industries Limited (Equity Shares of ₹10 each)	-	-*	54	-*
	Total (A)		788.41		1,313.03
B	<u>Investment in Debentures and Bonds</u>				
	Unquoted				
	At amortised cost				
	11.80 % I L & F S Transportation Networks Limited (NCDs of ₹100 each)	30	213.31	30	213.31
	Less: Impairment Loss		(213.31)		(213.31)
	At Fair value through Other Comprehensive Income				
	Quoted				
	6 3/4% Bonds Sri Lanka 2018/ 18- APR- 2028 (Bond of USD 200,000)	-	-	1	-
	Total (B)		-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at March 31, 2026		As at March 31, 2025	
		No. of shares / NCD / units	Amount	No. of shares / NCD / units	Amount
C	<u>Investment in Venture capital funds</u>				
	Unquoted				
	At Fair value through Profit and Loss @				
	Faering Capital India Evolving Fund II (Units of ₹1000/- each)	48,855	1,054.77	59,937	1,605.57
	Paragon Partners Growth Fund – I (Units of ₹100/- each)	151,738	314.62	166,307	373.49
	Faering Capital India Evolving Fund (Units of ₹1000/- each)	10,727	569.21	10,727	317.19
	Total (C)		1,938.60		2,296.25
	Total (A+B+C)		2,727.01		3,609.28
	Aggregate amount of quoted investments		788.41		1,313.03
	Aggregate Market Value of the quoted investments		788.41		1,313.03
	Aggregate amount of unquoted investments		2,151.91		2,509.56
	Aggregate amount of impairment in the value of investment		213.31		213.31
Note:					
* Amount is below the rounding off norms adopted by the Group.					
@ Investment in venture capital funds have been fair valued at closing Net Assets Value (NAV) / Fair Market Value (FMV).					
Refer note 44 for information about fair value measurement of investments and Note 37(ii)(b) for Investment Commitments related to Venture Capital funds.					

8 Non- current loans

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Loans to related parties (Refer note 43)	819.50	744.09
Loans to employees	7.21	12.65
Total	826.71	756.74

9 Other non-current financial assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered doubtful		
Security Deposits	878.39	956.88
Less: Allowance for doubtful deposits	(42.00)	(42.00)
	836.39	914.88
Unsecured, considered good		
Term deposits with banks	64.63	51.68
Interest Accrued on above	11.60	7.38
Total	912.62	973.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

10 Other non-current assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Capital advances	89.58	-
Prepaid expenses	0.18	2.82
Balances with government authorities (including deposits) - Others	-	26.13
Advance for factory construction and commercial work	4.37	236.82
Total	94.13	265.77

11 Inventories

	As at March 31, 2026	As at March 31, 2025
(The mode of valuation of inventories has been stated in Note 2(i))		
Raw and Packing Materials	1,364.25	1,693.37
Work-in-progress	250.81	193.14
Finished goods	4,128.00	4,134.71
Stock-in-trade	326.49	437.61
Stores and Spares	77.17	95.13
Total	6,146.72	6,553.96

Inventory writedowns/(reversal) are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-downs/(reversal) of inventories amounted to ₹ 46.27 Lakhs for the year ended March 31, 2026 ₹ (224.20) Lakhs for the year ended March 31, 2025). These writedowns/(reversal) were recognised as an expense and included in 'Cost of material consumed', 'changes in inventories of finished goods, stock-in-trade and work-in-progress', and 'consumption of stores and spares' in the Statement of Profit and Loss.

The management has carried out an assessment of carrying value of the inventories and basis such assessment which includes nature, condition, margins and liquidation plan, no further provision, over and above those already provided, is considered necessary.

12 Current investments

	As at March 31, 2026		As at March 31, 2025	
	No. of Units	Amount	No. of Units	Amount
<u>Investments in Mutual Funds</u>				
Unquoted				
At Fair value through Profit and Loss				
HDFC floating rate Income Fund-Short term Plan- Wholesale Option Growth (Units of ₹ 10/- each)	21,56,154	1,148.04	-	-
HDFC Ultra Short Term Fund- Regular Growth (Units of ₹ 10/- each)	47,149	7.45	144,983	21.57
HDFC Ultra Short Term Fund- Dir-IDCW (Units of ₹ 10/- each)	5,330	0.53	4,998	0.50
HDFC Ultra Short Term Fund Direct Growth (Units of ₹ 10/- each)	104,087	16.85	906,705	137.67
HDFC Liquid-DP-Growth Option (Units of ₹ 10/- each)	574	31.06	1,206	61.41
Total		1,203.93		221.15
Aggregate amount of unquoted investments		1,203.93		221.15

Refer note 44 for information about fair value measurement of investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

13 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Receivables from related parties (Refer Note 43)	77.99	63.94
Others	2,218.41	2,398.73
Less: Loss allowances	(398.60)	(398.60)
Total	1,897.80	2,064.07
Note (a): Break-up of security details		
Trade receivables considered good - unsecured	1,897.80	2,064.07
Trade receivables - credit impaired - unsecured	398.60	398.60
Total	2,296.40	2,462.67
Less: Loss allowances	(398.60)	(398.60)
Total Trade Receivables	1,897.80	2,064.07

Note (b): Amounts Receivable from firms in which Directors are partners

Zodiac Clothing Co (U.A.E.) LLC

Onward LLC

Mashal Enterprises

Refer note 45 for information about credit risk and market risk of trade receivables.

Note (c): Ageing of Trade receivables

Unsecured Trade receivables	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026							
(i) Undisputed - considered good	1,208.34	608.85	13.94	61.31	5.36	-	1,897.80
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	398.60	398.60
Less: Loss allowances	-	-	-	-	-	(398.60)	(398.60)
Total	1,208.34	608.85	13.94	61.31	5.36	-	1,897.80
As at March 31, 2025							
(i) Undisputed - considered good	1,849.78	178.45	10.61	20.92	4.31	-	2,064.07
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	398.60	398.60
Less: Loss allowances	-	-	-	-	-	(398.60)	(398.60)
Total	1,849.78	178.45	10.61	20.92	4.31	-	2,064.07

There are no unbilled receivables as at March 31, 2026 and March 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

14 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	4.99	19.68
Balances with Banks		
- In current accounts	577.95	693.15
Total	582.94	712.83

There are no repatriation restrictions with regard to cash and cash equivalents as at March 31, 2026 and March 31, 2025.

15 Bank Balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Unclaimed dividends - Earmarked balances with banks	0.44	1.11
Total	0.44	1.11

16 Current loans

Unsecured, considered good	As at March 31, 2026	As at March 31, 2025
Loans to related parties (Refer Note 43)	-	2.04
Loans to employees	15.20	9.48
Total	15.20	11.52

17 Other current financial assets

Unsecured, considered good	As at March 31, 2026	As at March 31, 2025
Security deposits	60.31	35.09
Other deposits	65.06	68.75
Advances recoverable from employees	49.51	50.53
Interest accrued	3.63	6.03
Other receivable	40.68	26.49
Derivative financial instruments	-	17.70
Others advances	38.78	158.96
Total	257.97	363.55

18 Other current assets

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good	80.53	192.47
Export benefits receivables		
Excess Contribution to gratuity fund (Refer Note 39)	-	9.21
Advances to Suppliers	26.40	112.27
Prepaid expenses	69.34	82.34
Balances with government authorities - GST Input credit receivable/ refundable	2,242.52	2,529.10
Other advances	43.35	6.93
Total	2,462.14	2,932.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

19 Equity share capital

	As at March 31, 2026	As at March 31, 2025
Authorised 3,40,00,000 [March 31, 2025: 3,40,00,000] Equity Shares of ₹10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up 2,74,58,131 [March 31, 2025: 2,59,93,717] Equity Shares of ₹10 each	2,745.81	2,599.37
	2,745.81	2,599.37

Notes:

a) Reconciliation of number of shares:

	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	2,59,93,717	2,599.37	2,59,93,717	2,599.37
Issued during the year #	14,64,414	146.44	-	-
Balance as at the end of the year	2,74,58,131	2,745.81	2,59,93,717	2,599.37

b) Rights, preferences and restrictions attached to shares:

Equity shares: The Group has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by each shareholder holding more than 5% shares in the Group:

	As at March 31, 2026		As at March 31, 2025	
	%	No. of shares	%	No. of shares
Asia Tangible Investments Pte Limited	11.49	31,54,882	12.14	31,54,882
Euro Global Holdings Pte Limited	11.49	31,54,882	12.14	31,54,882
Late Mr. Mohamed Anees Noorani	21.85	60,00,109	23.08	60,00,109
Mr. Salman Yusuf Noorani	22.04	60,52,445	22.35	58,08,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

19 Equity share capital (Contd....)

d) Details of shareholding of promoters:

Name of the Promoter	Year Ended March 31, 2026			Year Ended March 31, 2025		
	Number of Shares	% of total number of shares	% change during the year	Number of Shares	% of total number of shares	% change during the year
Late Mohamed Yusuf Noorani	2,32,875	0.85	(0.05)	2,32,875	0.90	-
Mr. Salman Yusuf Noorani	60,52,445	22.04	(0.31)	58,08,376	22.35	-
Late Mr. Mohamed Anees Noorani	60,00,109	21.85	(1.23)	60,00,109	23.08	-
Euro Global Holdings Pte. Ltd.	31,54,882	11.49	(0.65)	31,54,882	12.14	-
Asia Tangible Investments Pte. Ltd.	31,54,882	11.49	(0.65)	31,54,882	12.14	-
Mr. Adnan Salman Noorani	4,44,069	1.62	0.85	2,00,000	0.77	-
Mrs. Muna A. Noorani	87,941	0.32	0.32	75	&	-
Mrs. Zehra S. Noorani	2,44,436	0.89	0.89	367	&	-
Mr. Mohamed Musaed Abu Nasr Noorani	1,37,277	0.50	0.47	8,409	0.03	-
Mr. Mohamed Awais Jehangir Noorani	1,28,943	0.47	0.47	75	&	-
Mrs. Saniyya A. Noorani	3,86,680	1.41	1.41	75	&	-
M Y Noorani 2007 Trust (Trustee - Anees Yusuf Noorani and Salman Yusuf Noorani)	607	&	-	607	&	-
Total	2,00,25,146	72.93		1,85,60,732	71.41	

e) During the five years immediately preceding the reporting date, no shares have been bought back nor had the Group issued any bonus shares or any shares for consideration other than cash.

f) During the current year, the Group has allotted 14,64,414 equity shares of ₹ 10 each at a premium of ₹ 92.43 per equity share on preferential basis to the following promoter & promoter group of the Group on January 16, 2026, amounting to ₹ 1,500.00 Lakhs.

Name of the Promoter	Year Ended March 31, 2026
Mr. Salman Yusuf Noorani	2,44,069
Mrs. Zehra S. Noorani	2,44,069
Mr. Adnan Salman Noorani	2,44,069
Mrs. Muna A. Noorani	87,866
Mr. Mohamed Musaed Abu Nasr Noorani	1,28,868
Mr. Mohamed Awais Jehangir Noorani	1,28,868
Mrs. Saniyya A. Noorani	3,86,605
Total	14,64,414

& Percentages are below the rounding off norms adopted by the Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

20 Other equity

	Reserves and Surplus						Other Comprehensive Income (OCI)					Total
	Securities Premium Reserve	Amalgamation Reserves	State Cash Subsidy	Capital Redemption Reserve	Statutory Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	FVOCI - Debt Instruments	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	
As at March 31, 2024	10,749.10	8.16	15.84	200.00	17.98	2,693.15	6,045.98	1,443.59	(13.99)	4.29	845.75	22,009.74
Loss for the year	-	-	-	-	-	-	(3,719.59)	-	-	-	-	(3,719.59)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	(2.19)	(2.19)
Remeasurement of defined benefit obligation	-	-	-	-	-	-	47.36	-	-	-	-	47.36
Changes in fair value of equity instruments through other Comprehensive income (net of tax)	-	-	-	-	-	-	-	(384.78)	-	-	-	(384.78)
Debt instruments through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	8.56	-	8.56
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	-	(4.29)	-	(4.29)
Total Comprehensive Loss for the year	-	-	-	-	-	-	(3,672.23)	(384.78)	-	4.27	(2.19)	(4,054.93)
As at March 31, 2025	10,749.10	8.16	15.84	200.00	17.98	2,693.15	2,373.75	1,058.81	(13.99)	8.56	843.56	17,954.81
Loss for the year	-	-	-	-	-	-	(3,504.01)	-	-	-	-	(3,504.01)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	234.16	234.16
Remeasurement of defined benefit obligation	-	-	-	-	-	-	(48.20)	-	-	-	-	(48.20)
Changes in fair value of equity instruments through other Comprehensive income (net of tax)	-	-	-	-	-	-	-	(438.23)	-	-	-	(438.23)
Debt instruments through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	(91.05)	-	(91.05)
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	-	(8.56)	-	(8.56)
Total Comprehensive Loss for the year	-	-	-	-	-	-	(3,552.21)	(438.23)	-	(99.61)	234.16	(3,855.89)
Transactions with owners in their capacity as owners:												
Premium Received on Issue of Equity Shares (Refer note 19 (f))	1,353.56	-	-	-	-	-	-	-	-	-	-	1,353.56
As at March 31, 2026	12,102.66	8.16	15.84	200.00	17.98	2,693.15	(1,178.46)	620.58	(13.99)	(91.05)	1,077.72	15,452.48

Purpose of Significant Reserves:

Securities Premium

Securities premium is used to record the premium on issue of shares, which is to be utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Represent reserve created during redemption of Preference Shares and it is a non-distributable reserve, which is to be utilised in accordance with provision of the Act.

Statutory Reserve

Statutory Reserve is created by allocating 10% of the net profit of the subsidiary - Zodiac Clothing Company (U.A.E.) LLC as required by Article 103 of the UAE Commercial Companies Law No. 2 of 2015 concerning commercial companies in the UAE. The subsidiary discontinued such annual transfers as this reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.

General Reserves

The general reserve is a free reserve, retained from Group's profits. The reserves can be utilised as per the provisions of the Companies Act, 2013.

Retained Earnings

Retained Earnings are the profits / (losses) that the Group has earned till date, less any transfer to general reserves, dividends or other distribution paid to shareholders.

FVOCI - Equity Instruments

The Group has elected to recognise changes in the fair value of investments in certain equity securities as other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are sold.

FVOCI - Debt Instruments

The Group has elected to recognise changes in the fair value of investments in certain debt securities as other comprehensive income. These changes are accumulated within the FVOCI debt instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant debt securities are sold.

Cash Flow Hedging Reserve

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve with equity. The cumulative amount is reclassified to statement of profit and loss when the net investment is disposed-off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

21 Current Borrowings

	As at March 31, 2026	As at March 31, 2025
From banks (Working Capital Loans):		
Secured		
- Rupee Packing Credit (RPC)	1,732.86	2,298.66
- Bank Overdraft	2,327.93	1,848.01
From Related Parties:		
Unsecured		
- Loans from Directors (Refer note 43)	817.73	492.85
Total Current borrowings	4,878.52	4,639.52
Less: Interest accrued but not due on borrowings (included in Note 23)	(54.21)	(18.15)
Total Current borrowings	4,824.31	4,621.37

Nature of Security and terms of repayment:

- (i) Current borrowings are secured against hypothecation of all current assets of the Holding Company (Refer note 36).
- (ii) RPC is repayable within 180 days. Effective Interest rate ranging from 8.00% to 9.75% p.a. (March 31, 2025: 5.60% to 9.60% p.a.)
- (iii) Bank Overdraft carries rate of interest ranging from 8.50% to 9.50% p.a. (March 31, 2025: 9.10% to 9.60% p.a.)
- (iv) Loans from Directors carries rate of interest of 7.00% p.a.
- (v) Refer note 45 for liquidity risk
- (vi) The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in note 36.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

22 Trade payables

	As at March 31, 2026	As at March 31, 2025
Trade payables		
- total outstanding dues of micro and small enterprises (MSME) [Refer note below]	17.34	14.54
- total outstanding dues of creditors other than micro and small enterprises		
- Payable to related parties [Refer note 43]	780.25	416.27
- Others	3,215.70	3,402.85
Total	4,013.29	3,833.66

Refer note 45 for information about liquidity risk and market risk of trade payables.

Ageing of trade payables:

Particulars	Unbilled Dues	Not due	Outstanding for following years from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026							
(i) MSME	-	6.02	11.32	-	-	-	17.34
(ii) Others		1,425.00	2,130.51	290.89	62.70	86.85	3,995.95
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	-	1,431.02	2,141.83	290.89	62.70	86.85	4,013.29
As at March 31, 2025							
(i) MSME	-	11.47	3.07	-	-	-	14.54
(ii) Others	125.29	1,990.44	1,429.48	112.15	88.64	73.12	3,819.12
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	125.29	2,001.91	1,432.55	112.15	88.64	73.12	3,833.66

Notes:

The Group has certain dues to suppliers under Micro, small and Medium enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows:	As at March 31, 2026	As at March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	15.32	14.03
Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.02	0.51
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	51.80	46.41
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.62	2.04
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	2.02	0.51
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

Note: The above is based on information available with the Group regarding the registration status of the supplier as micro enterprises and small enterprises under MSMED Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

23 Other financial liabilities

Other non-current financial liabilities

	As at March 31, 2026	As at March 31, 2025
Security deposits	67.10	65.97
Total	67.10	65.97

Other current financial liabilities

	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on borrowings (Refer note 21)	54.21	18.15
Unclaimed dividends [Refer note below]	0.44	1.11
Derivative financial instruments	228.28	-
Capital Creditors	120.95	210.13
Book Overdraft	2.17	9.59
Other payables	5.70	4.71
Total	411.75	243.69

Notes:

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

24 Provisions

Non-current Provisions	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
- Compensated absences (Refer note 39)	37.83	-
- Staff end of service gratuity	1.43	15.40
- Others	0.47	2.12
Total	39.73	17.52
Current provisions	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
- Compensated absences (Refer note 39)	12.04	53.94
- Gratuity (Refer note 39)	28.90	-
- Staff end of service gratuity	21.31	1.04
- Others	0.03	0.10
Total	62.28	55.08

25 Current tax liabilities

	As at March 31, 2026	As at March 31, 2025
Current tax liabilities (net)	-	1.30
Total	-	1.30

26 Other liabilities

Other non-current liabilities	As at March 31, 2026	As at March 31, 2025
Deferred rent income	9.41	12.62
Total	9.41	12.62
Other current liabilities	As at March 31, 2026	As at March 31, 2025
Contract liabilities - advance from customers * (Refer note 27(iii))	42.77	147.61
Statutory dues payable	114.96	105.53
Employee benefits payable	547.46	537.30
Amount due to related parties	8.82	-
Deferred rent income	3.82	3.21
Total	717.83	793.65

* Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year is recognised as revenue during the year while the amount recognised as at the end of the year represents advance payments received during the respective year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

27 Revenue from Operations

	Year Ended March 31, 2026	Year ended March 31, 2025
Revenue from contracts with customers		
- Sale of Products	15,635.71	16,817.48
- Sale of Services (Freight and Insurance)	10.91	33.38
Other operating revenue		
- Export incentives	500.70	583.39
- Process waste sale	4.04	6.00
Total	16,151.36	17,440.25

(i) **Sale of products:** Performance obligation in respect of sale of clothing products is satisfied at a point in time when control of the products is transferred to the customer, generally upon delivery/dispatch of the goods, as applicable. Payment for such products is generally due as per the terms agreed with the customers.

Sale of services (Freight and Insurance) : Performance obligation in respect of freight and insurance services is satisfied when the respective services are provided to the customer in accordance with the terms of the contract. Revenue is recognised upon satisfaction of the related performance obligation, and payment is generally due as per the contractual terms with customers.

There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2026 and March 31, 2025.”

(ii) Reconciliation of revenue from contracts with customers recognised with contract price:

	Year Ended March 31, 2026	Year ended March 31, 2025
Contract price	15,799.91	17,064.99
Adjustments for:		
- Discounts and Rebates	(65.17)	(32.26)
- Sales returns	(88.12)	(181.87)
Revenue from contract with customers	15,646.62	16,850.86

(iii) Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year is recognised as revenue during the year while the amount recognised as at the end of the year represents advance payments received during the respective year.

	Year Ended March 31, 2026	Year ended March 31, 2025
Balance at the beginning of the year	147.61	112.72
Revenue recognised/other adjustments (net) during the year	104.84	(34.89)
Addition during the year	-	-
Balance at the end of the year	42.77	147.61

28 Other income

	Year Ended March 31, 2026	Year ended March 31, 2025
Interest income		
- unwinding of discount on security deposit	47.60	45.21
- fixed deposits	8.78	7.59
- income tax refunds	2.61	26.09
- others	1.60	20.01
Dividend Income		
- financial assets measured at fair value through profit or loss	11.40	6.30
Rent income	394.84	387.87
Net gain on fair value / sale of financial assets measured at fair value through profit or loss	336.50	527.28
Net gain / (loss) on foreign currency transactions and translation	-	32.01
Net gain on sale/discard of property, plant and equipment	193.95	-
Gain on termination / remeasurement / of lease contracts (Refer note 4(c))	64.57	65.84
Miscellaneous income	222.88	223.63
Total	1,284.73	1,341.83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

29 Cost of materials consumed

	Year Ended March 31, 2026	Year ended March 31, 2025
Raw and packing materials at the beginning of the year	1,693.37	1,515.96
Add: Purchases	5,466.91	7,254.49
Less: Raw and packing materials at the end of the year	(1,364.25)	(1,693.37)
Total	5,796.03	7,077.08

30 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year Ended March 31, 2026	Year ended March 31, 2025
Opening inventories		
Finished goods	4,134.71	3,804.27
Stock-in-trade	445.49	351.88
Work-in-progress	193.14	194.41
	4,773.34	4,350.56
Closing inventories		
Finished goods	4,128.00	4,134.71
Stock-in-trade	326.49	437.61
Work-in-progress	250.81	193.14
	4,705.30	4,765.46
Total	68.04	(414.90)

31 Employee benefits expense

	Year Ended March 31, 2026	Year ended March 31, 2025
Salaries, wages, bonus and other benefits	4,216.87	4,125.90
Contribution to provident and other funds (Refer note 39)	341.68	352.20
Gratuity expenses (Refer note 39)	53.63	60.52
Staff welfare expenses	56.28	61.83
Total	4,668.46	4,600.45

32 Finance costs

	Year Ended March 31, 2026	Year ended March 31, 2025
Interest expense on:		
- Term Loans	-	11.63
- Current Borrowings	395.05	334.99
- Lease Payments (Refer note 4(c))	565.72	425.28
- Others *	53.14	21.91
Total	1,013.91	793.81

* includes Interest expense on loan taken from related parties (refer note 43)

33 Depreciation and amortization expense

	Year Ended March 31, 2026	Year ended March 31, 2025
Depreciation on Property, plant and equipment (Refer note 4(a))	759.01	707.16
Depreciation on right-of-use assets (Refer note 4(c))	1,564.65	1,270.23
Depreciation on investment properties (Refer note 5)	24.26	24.25
Amortisation on other intangible assets (Refer note 6)	31.27	38.38
Total	2,379.19	2,040.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

34 Other expenses

	Year Ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spares	141.89	192.75
Washing charges	0.37	-
Power and fuel	194.39	225.51
Job work charges	371.91	534.90
Insurance	111.68	101.88
Repairs and maintenance - Buildings	47.74	86.50
Repairs and maintenance - Plant & Machinery	18.71	15.03
Repairs and maintenance - Others	409.38	375.68
Rent	338.62	618.31
Electricity expenses	230.05	260.28
Retail store maintenance expenses	344.38	397.23
Rates and taxes	187.23	204.50
Advertisement and sales promotion	770.21	804.11
Commission to selling agents	652.18	760.60
Freight and forwarding	764.80	1,017.50
Trade mark fees	80.02	74.92
Legal and professional expenses	364.58	353.94
Travelling and conveyance	339.81	394.61
Director fees (Refer note 43)	29.70	24.20
Donations	0.10	0.09
Expenditure incurred for Corporate Social Responsibility	52.00	91.52
Exchange fluctuation - Others	326.85	4.07
Net loss on fair value / sale of financial assets measured at fair value through profit or loss	228.13	302.29
Bad debts, loans, advances and deposits etc. written off	113.72	129.18
Net loss on sale/discard of Property, plant and equipment	97.68	75.76
Bank charges	131.18	156.77
Security charges	110.47	112.88
Miscellaneous expenses	190.64	173.12
Total	6,648.42	7,488.13

35 Taxes

i) Tax expense recognised in the Statement of Profit and Loss:

	Year Ended March 31, 2026	Year ended March 31, 2025
Current tax		
Expense for the year	0.57	1.29
Total current tax (A)	0.57	1.29
Deferred tax		
Deferred tax credit	124.77	105.73
Total deferred tax credit (B)	124.77	105.73
Total tax expense for the year (C) = (A + B)	125.34	107.02
Tax in respect of earlier years (D)	-	1.66
Total tax credit (C + D)	125.34	108.68

Note:

Pursuant to the amendments introduced in the Finance Bill, 2024, relating to the taxation of capital gains, the Group has re-evaluated its deferred tax assets and liabilities on items subject to capital gains tax. As a result, a one-time cumulative impact of ₹ 591.00 lakhs has been recognized in the audited consolidated financial results for the year ended March 31, 2025. Additionally, during the quarter the Group has reversed deferred tax liabilities of ₹ 490.21 Lakhs previously recognized on undistributed reserves of its subsidiary companies. This reversal is based on the Holding Company's current assessment that these subsidiaries profits and reserves will not be distributed in the foreseeable future and that the subsidiaries will not be disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

36 Taxes (Contd....)

ii) A reconciliation of the income tax expenses to the amount computed

	Year Ended March 31, 2026	Year ended March 31, 2025
(Loss) / Profit before tax	(3,378.67)	(3,610.91)
Less: Set off Unabsorbed Depreciation	-	-
	(3,378.67)	(3,610.91)
Enacted income tax rate in India	27.82%	27.82%
Tax expenses at enacted income tax rate	(939.95)	(1,004.56)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowance	70.12	44.53
Additional deduction for House Property Income under Income Tax	(38.20)	(30.45)
Reversal of Deferred tax on undistributed profits of subsidiaries	-	(490.21)
Differential tax rate in respect of income from capital gains	74.45	13.74
Deferred tax assets not recognised on business losses	686.46	647.54
Foreign Entities with no tax / differential tax	108.41	61.22
Deferred tax assets recognised on unabsorbed depreciation	182.98	202.07
One time impact in respect of taxation of capital gains due to amendment in Finance Bill, 2024	-	591.00
Others	(18.93)	72.14
Total Tax Expenses	125.34	107.02

iii) Tax Assets

	As at March 31, 2026	As at March 31, 2025
Non-Current Tax Assets (net of provision of ₹ 2,761.15 Lakhs (As at March 31, 2025 ₹ 2,761.15 Lakhs))	1,080.33	1,078.32
Total	1,080.33	1,078.32

iv) The movement in deferred tax assets and liabilities during the year ended March 31, 2025 and March 31, 2026:

	As at March 31, 2024	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2025	Credit/(charge) in statement of Profit and Loss	Credit/ (charge) in Other Compre- hensive Income	As at March 31, 2026
Deferred tax assets (net)							
Provision for employee benefits	11.02	(21.13)	11.92	1.81	19.96	13.41	35.18
Provision for doubtful debts and advances	122.57	-	-	122.57	-	-	122.57
Property, plant and equipment and intangible assets	(202.15)	(84.17)	-	(286.32)	(357.68)	-	(644.00)
Lease Liabilities and Right-of-use assets	102.20	(1.16)	-	101.04	30.08	-	131.12
Unabsorbed Depreciation	1,551.49	(8.61)	-	1,542.88	(26.87)	-	1,516.01
Business Losses	-	-	-	-	-	-	-
Others	(20.25)	(465.59)	33.31	(452.53)	209.74	111.36	(131.43)
Total	1,564.88	(580.66)	45.23	1,029.45	(124.77)	124.77	1,029.45
	As at March 31, 2024	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2025	Credit/(charge) in statement of Profit and Loss	Credit/ (charge) in Other Compre- hensive Income	As at March 31, 2026
Deferred tax liabilities							
Undistributed reserves of subsidiaries	(474.93)	474.93	-	-	-	-	-
Total	(474.93)	474.93	-	-	-	-	-

Significant Estimates: Based on the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer, the Holding company has estimated that the future taxable income will be sufficient to absorb carried forward unabsorbed depreciation, which management believes is probable, accordingly the Group has recognized deferred tax asset on aforesaid unabsorbed depreciation. However, deferred tax on carried forward unabsorbed depreciation and business losses as detailed below has not been considered for recognition of deferred tax asset. Further, deferred tax asset on business losses has been recognised to the extent of deferred tax liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Assessment Year (A.Y.)	Business Loss			Unabsorbed Depreciation		
	As at March 31, 2026	As at March 31, 2025	Loss Carried forward for upto A.Y.	As at March 31, 2026	As at March 31, 2025	Loss Carried forward for upto A.Y.
2017 - 18	-	1,064.52	2025-26	1,056.74	1,056.74	No Expiry
2018 - 19	1,836.69	1,836.69	2026-27	1,166.48	1,166.48	
2019 - 20	457.88	457.88	2027-28	1,056.32	1,056.32	
2020 - 21	1,879.04	1,879.04	2028-29	981.42	981.42	
2021 - 22	3,000.44	3,000.44	2029-30	871.83	871.83	
2022 - 23	2,025.65	2,025.65	2030-31	787.01	787.01	
2023-24	-	-	-	-	-	
2024-25	1,871.79	1,871.79	2032-33	704.97	704.97	
2025-26	2,413.14	2,327.59	2033-34	688.86	726.33	
2026-27	1,640.42	-		657.69	-	
Less - Deferred tax recognized	-	-		(5,449.35)	(5,545.94)	
Unrecognized Amount	15,125.05	14,463.60		2,521.97	1,805.16	

36 Assets pledged as securities

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(excludes balances of subsidiaries since not pledged)

	As at March 31, 2026	As at March 31, 2025
Floating Charge		
Current Assets		
Financial Assets		
- Investments	1,203.94	221.15
- Trade receivables *	1,745.55	2,042.80
- Cash and cash equivalents	83.56	102.33
- Loans	15.20	9.48
- Others financial assets	245.82	348.20
	3,294.07	2,723.96
Non Financial Assets		
- Inventories	6,136.01	6,532.64
- Other current assets	2,395.79	2,809.34
	8,531.80	9,341.98
Total assets	11,825.87	12,065.94

* Trade Receivables represent receivables excluding related parties trade receivables as per the terms of the security.

37 Contingent liabilities, Contingent assets and commitments (to the extent not provided for)

	As at March 31, 2026	As at March 31, 2025
i) Contingent Liabilities		
Claims against the Group not acknowledged as debts in respect of:		
Income tax matters (including TDS matters)	1,026.95	1,047.70
Significant Estimates: The Group has litigations in respect of certain Income tax matters. The management does assessment of all outstanding matters and wherever required further obtains legal advice including those relating to interpretation of law. Based on such assessment, it concludes whether a provision should be recognised or a disclosure should be made.		
	As at March 31, 2026	As at March 31, 2025
ii) Commitments		
Investment Commitments related to Venture Capital funds		
Investment Commitments related to Venture Capital funds	35.93	35.93
Investment commitment: contribution is to be made on “as needed” basis pursuant to drawdown notices issued by the respective funds over commitment period. Mirage Marketing Company LLP (MMLP) vide Deed of Adherence (DOA) executed on December 18, 2019 and February 04, 2020 executed in favour of Faering Capital India Evolving Fund II and the Group, has acquired Investment Commitment of class A units of Faering Capital India Evolving Fund amounting to ₹ 450.00 lakhs from the Group and pursuant to which the Group is no longer committed for investment commitment to the extent of ₹ 450.00 lakhs.”		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

38 Earnings per share

	As at March 31, 2026	As at March 31, 2025
Basic and Diluted		
Loss for the year (₹ in lakhs) (A)	(3,504.01)	(3,719.59)
Weighted average number of equity shares outstanding (nos) (B)	2,62,90,612	2,59,93,717
Basic and Diluted Loss Per Share (R) (A / B)	(13.33)	(14.31)
Nominal value per equity shares (in Rs.)	10	10

39 Post retirement benefit plans

I. Defined Benefit Plan - Gratuity:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a ceiling of ₹ 20 Lakhs. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India.

As per Actuarial Valuation as on March 31, 2026 and March 31, 2025, amounts recognised in the Consolidated financial statements in respect of Employee Benefits Scheme:

A. Amount recognised in the Balance Sheet

	As at March 31, 2026	As at March 31, 2025
Present value of plan liabilities	956.91	945.97
Fair value of plan assets	(928.01)	(955.18)
(Net plan surplus) / Net plan liability	28.90	(9.21)

B. Movement in plan assets and liabilities

	Year ended March 31, 2026			Year ended March 31, 2025		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
As at 1st April	955.18	945.97	9.21	942.21	959.86	(17.65)
Current service cost	-	56.30	(56.30)	-	59.25	(59.25)
Interest cost	-	61.52	(61.52)	-	69.11	(69.11)
Interest income	64.19	-	64.19	67.85	-	67.85
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(38.56)	38.56	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(37.19)	37.19	-	25.94	(25.94)
Actuarial (gain)/loss arising from experience adjustments	-	126.55	(126.55)	-	(72.00)	72.00
Return on plan assets excluding actual return of plan assets	2.60	-	2.60	1.30	-	1.30
Employer contributions	63.72	-	63.72	40.01	-	40.01
Benefit payments	(157.68)	(157.68)	-	(96.19)	(96.19)	-
As at 31st March	928.01	956.91	(28.90)	955.18	945.97	9.21

The liabilities are split between different categories of plan participants as follows:

	As at March 31, 2026	As at March 31, 2025
Active members (in nos.)	885	1,006
Retired Members (in nos.)	11	36
The weighted average duration of the defined benefit obligations	10 years	7 years
Expected contribution to the Fund in next year.	73.95	47.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

C. Consolidated Statement of Profit and Loss

	Year Ended March 31, 2026	Year ended March 31, 2025
Employee Benefits Expense:		
Current service cost	56.30	59.25
Net Interest income	(2.67)	1.27
Amount recognised in Consolidated Statement of Profit and Loss	53.63	60.52
Remeasurements of the net defined benefits liability:		
Actuarial gain arising from changes in demographic assumptions	(38.56)	-
Actuarial gains arising from changes in financial assumptions	(37.19)	25.94
Experience gains	126.55	(72.00)
Return on plan assets excluding actual return on plan assets	(2.60)	(1.30)
Amount recognised in Other Comprehensive Income - loss/ (gain)	48.20	(47.36)

Total impact of remeasurement of net defined benefit plan expense / (income) recognised through other comprehensive Income as at March 31, 2026 and included in Retained earnings is ₹ 48.2 lakhs (Previous Year: ₹ 47.36 Lakhs).

D. Assets

	Gratuity	
	As at March 31, 2026	As at March 31, 2025
Insurer managed Fund	928.01	955.18
Total	928.01	955.18

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2026	As at March 31, 2025
Financial Assumptions		
Discount rate	7.24%	6.72%
Salary Escalation Rate *	5.00%	5.00%
Expected Return on Plan Assets	7.24%	6.72%
Attrition Rate	For service period 4 years and below 40% p.a. For service period of 5 years and above 1% p.a.	For service period 4 years and below 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a."

* Taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions
Mortality in Service:

Indian Assured Lives Mortality
(2012-14) Urban table

Indian Assured Lives Mortality
(2012-14) Urban table

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	As at March 31, 2026		As at March 31, 2025	
		Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability
Discount rate	1%	(64.22)	74.12	(52.39)	59.28
Salary Escalation Rate	1%	67.17	(59.65)	55.93	(50.37)
Attrition Rate	1%	14.71	(16.65)	6.13	(6.97)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

G. The defined benefit obligations (undiscounted) shall mature after the end of reporting period is as follows:

	As at March 31, 2026	As at March 31, 2025
1st Following Year	179.72	135.19
2nd Following Year	47.33	73.04
3rd Following Year	50.62	101.44
4th Following Year	79.50	123.15
5th Following Year	66.93	113.15
Sum of Years 6 to 10	451.67	357.92
Thereafter	1,037.81	662.63

H. Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level.

II. Compensated absences

The compensated absences obligations for employees in India cover the Group's liability for leave, which is actuarially valued at each year end by applying the assumptions referred in 'E' above.

The total provision for compensated absences amounts to ₹ 49.87 lakhs (as at March 31, 2025: ₹ 53.94 lakhs) which includes both current and non-current components. The current component is classified as current, as the Group does not have an unconditional right to defer settlement of these obligations.

III. Details of Defined Contribution Plan

The Group also has certain defined contribution plans. Contributions are made to provident and other funds in India for employees as per regulations. The contributions are made to registered provident fund, ESIC, etc. which are administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan are ₹ 341.68 lakhs (Previous year ₹ 352.20 lakhs) in the Statement of Profit and Loss.

40 Interest in Other entities

The Consolidated Financial Statements present the Consolidated Accounts of Zodiac Clothing Company Limited with its following Subsidiary and step down subsidiaries:

Name of the Subsidiary and step down subsidiaries:	Country of Incorporation	Proportion of Ownership of Interest	
		As at March 31, 2026	As at March 31, 2025
a) Zodiac Clothing Co. S.A.	Switzerland	100%	100%
b) Zodiac Clothing Co. (UAE) LLC.	UAE**	100%	100%
c) Zodiac Clothing Bangladesh Limited	Bangladesh	100%	100%
d) Zodiac Clothing Company INC	USA	100%	100%
e) Zela Technologies INC (w.e.f. February 28, 2024)	USA	100%	100%
f) Zodiac Clothing Company Private Limited (w.e.f. June 5, 2024)	UK	100%	100%

** The shareholders of this subsidiary are Mrs. Muna Mahmood Mohd. Mahmoud (51%) and M/s. Zodiac Clothing Co S.A. (49%). As per the mutual agreement between the shareholders, Mrs. Muna Mahmood Mohd. Mahmoud is holding 51% shares for and on behalf of M/s. Zodiac Clothing Co S.A. who is the beneficial owner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

41 For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of the Entities	2024-25					
	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit / (Loss)	Amount	As a % of consolidated Profit / (Loss)	Amount
Parent:						
- Indian						
Parent:	87.41%	17,965.39	108.37%	(4,031.09)	99.35%	(333.15)
Name of the Subsidiary and step down subsidiaries						
Zodiac Clothing Co. (UAE) LLC.						
- Foreign						
Zodiac Clothing Co. S.A.	1.48%	304.73	-0.02%	0.59	-3.02%	10.12
Zodiac Clothing Co. (UAE) LLC.	13.27%	2,727.94	0.18%	(6.54)	-9.61%	32.22
Zodiac Clothing Bangladesh Limited	3.86%	792.55	3.76%	(139.97)	18.08%	(60.64)
Zodiac Clothing Company INC.	0.20%	40.63	-0.14%	5.08	0.00%	-
Zela Technologies INC. (from February 28, 2024)	-0.12%	(24.21)	0.01	(18.98)	0.00%	-
Zodiac Clothing Company Pvt. Ltd. (from June 5, 2024)	0.00%	-	-	-	0.00%	-
Intercompany Elimination & Consolidation Adjustments						
Total	-6.10%	(1,252.85)	-12.68%	471.32	-4.81%	16.11
	100.00%	20,554.18	100.00%	(3,719.59)	100.00%	(335.34)
Non Controlling Interest in subsidiaries						
	-	-	-	-	-	-
Grand Total	-	20,554.18	-	(3,719.59)	-	(4,054.93)

Name of the Entities	2025-26					
	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit / (Loss)	Amount	As a % of consolidated Profit / (Loss)	Amount
Parent:						
- Indian						
Parent:	86.62%	15,763.54	88.92%	(3,115.81)	174.76%	(586.04)
Name of the Subsidiary and step down subsidiaries						
Zodiac Clothing Bangladesh Limited						
- Foreign						
Zodiac Clothing Co. S.A.	1.93%	351.65	-0.03%	1.14	-13.65%	45.78
Zodiac Clothing Co. (UAE) LLC.	15.57%	2,832.84	1.32%	(46.17)	-45.05%	151.07
Zodiac Clothing Bangladesh Limited	4.34%	790.67	8.30%	(290.87)	-18.62%	62.44
Zodiac Clothing Company INC.	-0.02%	-3.81	1.28%	(44.91)	-0.14%	0.47
Zela Technologies INC. (from February 28, 2024)	-0.25%	-46.14	0.00	(17.51)	1.32%	(4.42)
Zodiac Clothing Company Pvt. Ltd. (from June 5, 2024)	0.00%	-	-	-	0.00%	-
Intercompany Elimination & Consolidation Adjustments						
Total	-8.19%	(1,490.46)	-0.29%	10.12	6.31%	(21.18)
	100.00%	18,198.29	100.00%	(3,504.01)	105.00%	(351.88)
Non Controlling Interest in subsidiaries						
	-	-	-	-	-	-
Grand Total	-	18,198.29	-	(3,504.01)	-	(3,855.89)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

42 Segment Information:

Business Segment

Identification of Segments:

The chief operational decision maker (Managing Director) monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

(i) **The Group's business operations falls within a single primary business segment of 'clothing and clothing accessories'. Accordingly, the Group operation is a single segment in terms of its products.**

(ii) Entity wide disclosure -

(a) Information about products and services - The Group products falls under single product category i.e; clothing and clothing accessories.

(b) Information in respect of geographical area -

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment Revenue *	7,167.81	6,879.24	8,983.55	10,561.01	16,151.36	17,440.25
Carrying cost of segment Non Current assets**@	15,176.21	14,784.99	971.96	988.76	16,148.17	15,773.75

* Based on location of Customers

** Based on location of Assets

@ Excluding financial assets and deferred tax assets.

(c) Information about major customers - Revenues of approximately ₹ 1,268.18 Lakhs (Previous year ₹ 1,437.56 Lakhs) were derived from a single external customer.

43 Related Party Disclosures under IND AS 24

1. Relationships:

(a)(i) Key Management Personnel:

Mr. Salman Yusuf Noorani	Chairman & Managing Director (w.e.f 13th Feb, 2026)
Mr. Mohamed Awais Jehangir Noorani	Whole Time Director
Mr. Adnan Salman Noorani	Whole Time Director
Mr. Mahabala Bealthur	Chief Financial Officer (CFO)
Mr. Kumar Iyer	Company Secretary

(ii) Non-Executive Directors:

Late Mr. Mohamed Anees Noorani	Chairman, Non-Executive Director (Upto 29th July, 2025)
Mr. Mohamed Musaeb Abu Nasr Noorani	Non-Executive Director (w.e.f. 12th November, 2025)
Mr. Vaman M. Apte	Independent Director
Mr. Naushad Forbes	Independent Director
Ms. Elizabeth Jane Hulse	Independent Director (upto 11th August, 2025)
Amb. Ahmad Javed	Independent Director
Mr. Dilip J. Thakkar	Independent Director
Mr. Subramaniam. R. Iyer	Non-Independent Director
Ms. Djena Sunavala	Independent Director (w.e.f. 12th September, 2025)

(b) Close members of key management personnel with whom the transactions have taken place:

Mrs. Muna A. Noorani	Wife of Late Mr. Mohamed Anees Noorani
Mrs. Zehra S. Noorani	Wife of Mr. Salman Yusuf Noorani
Mrs. Saniyya A. Noorani	Daughter of Late Mr. Mohamed Anees Noorani

(c) Enterprises over which key management personnel and / or close members are able to exercise significant influence and with whom transactions have taken place:

Zodiac Metropolitan Clothing Gmbh	Germany
Onward LLC	Dubai
Metropolitan Trading Company	India
Montage Corporation	India
Munraz Enterprises	India
Mustang Manufacturing Company	India
Mashal Enterprises	India
Miraj Marketing Company LLP	India

(d) Trust

Zodiac Clothing Co. Ltd. EMPL GGCA Scheme

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24 (Contd....)

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

Nature of transactions	Related Parties					
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from contracts with customers						
Sale of Goods	-	-	-	-	38.22	560.40
Other Income	-	-	-	-	9.00	9.00
Rent	-	-	-	-	-	-
Expenses						
Employees benefit expenses *	84.08	73.01	-	-	-	-
Interest Expense	47.50	16.10	-	-	-	-
Other Expenses						
Rent	26.93	22.85	-	-	110.95	112.69
Commission to selling agents	-	-	-	-	193.17	227.27
Director Fees	25.40	24.20	-	-	-	-
Trade Mark Fees	-	-	-	-	71.12	68.33
Others	-	-	-	-	-	-
Reimbursement of Expenses from	-	-	-	-	-	-
Reimbursement of Expenses to	-	-	-	-	1.13	1.13
Gratuity Fund contribution	-	-	-	-	5.78	13.70
Loan Received	784.61	440.00	-	-	-	-
Loan Repaid	498.61	-	-	-	-	-
Issue of Equity Shares	764.00	-	736.00	-	-	-
(including securities premium)						
Dividend Paid					65.77	40.01

* This aforesaid amount does not include amount in respect of gratuity and compensated absences as the same is not determinable on individual basis and hence considered for disclosure on payment basis.

3. Balances with related parties referred in 1 above, in ordinary course of business:

Nature of transactions	Related Parties			
	Referred in 1(a) above		Referred in 1(c) above	
	Year ended March 31, 2026	As at March 31, 2025	Year ended March 31, 2026	As at March 31, 2025
Outstandings:				
Current borrowings	765.00	479.00	-	-
Trade Payables	84.77	66.57	695.48	349.70
Other Current Liabilities				
- Employee benefits payable	81.06	81.06	-	-
Other Current Financial Liabilities	52.73	13.85	-	-
- Interest accrued but not due	-	-	-	-
- Other payables	-	4.71	17.50	33.00
Loans (Security Deposit given)	-	-	77.99	63.94
Trade Receivables	-	-	819.50	746.13
Other Current Financial Assets				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24 (Contd....)

4.	Disclosure in respect of material transactions with related parties during the year (included in 2 above)	Year ended March 31, 2026	Year ended March 31, 2025
	Revenue from contracts with customers:		
	- Zodiac Metropolitan Clothing Gmbh	38.22	552.50
	- Mashal Enterprises	-	7.90
	Other Income:		
	Rent		
	- Metropolitan Trading Company	9.00	9.00
	Expenses:		
	Employees benefit expenses		
	- Mr. Awais A. Noorani	59.42	49.10
	- Mr. Adnan Noorani	24.66	23.91
	Interest expense		
	- Mr. A. Y. Noorani	16.77	8.05
	- Mr. A. Y. Noorani & Awais Noorani	1.50	-
	- Mr. S. Y. Noorani	29.23	8.05
	Rent		
	- Metropolitan Trading Company	83.28	89.44
	- Montage Corporation	1.01	1.01
	- Mr. A. Y. Noorani	13.47	11.42
	- Mr. S. Y. Noorani	13.47	11.42
	- Mashal Enterprises	26.65	22.24
	Commission to selling agents		
	- Zodiac Metropolitan Clothing Gmbh	193.17	227.27
	Director Fees (including service tax)		
	- Mr. V. M. Apte	7.00	7.00
	- Mr. Dijen Bakhtar Sunawala	1.00	-
	- Mr. Y. P. Trivedi	-	2.50
	- Mr. S. R. Iyer	6.40	6.20
	- Mr. Naushad Forbes	2.40	0.90
	- Ms. Elizabeth Jane Hulse	-	0.50
	- Mr. Bernhard Steunruecke	-	1.00
	- Mr. Ahmed Javed	2.20	1.70
	- Mr. Dilip J Thakkar	6.40	4.40
	Trade Mark Fees		
	- Metropolitan Trading Company	71.12	68.33
	Miscellaneous Expenses		
	Others		
	Reimbursement of Expenses from		
	- Mashal Enterprises	-	1.13
	Reimbursement of Expenses to		
	- Munraz Enterprises	5.28	5.64
	- Metropolitan Trading Company	0.50	8.06
	Paid to Trust		
	- Zodiac Clothing Co. Ltd. EMPL GGCA Scheme	65.77	40.01
	Loan to related parties:		
	Loan Received		
	- Mr. A. Y. Noorani	-	220.00
	- Mr. A. Y. Noorani & Awais Noorani	35.00	-
	- Mr. S. Y. Noorani	749.61	220.00
	Loan repaid		
	- Mr. S. Y. Noorani	498.61	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24 (Contd....)

4.	Disclosure in respect of material Outstanding balances with related parties as at year end (included in 3 above)	Year ended March 31, 2026	Year ended March 31, 2025
	Issue of Equity Shares (including securities premium)		
	- Mr. S. Y. Noorani	250.00	-
	- Mr. Awais Noorani	132.00	-
	- Mr. Adnan S Noorani	250.00	-
	- Mrs. Saniyya Noorani	396.00	-
	- Mr. Musaad A. Noorani	132.00	-
	- Mrs. Muna A. Noorani	90.00	-
	- Mrs. Zehra S.Noorani	250.00	-

5.	Disclosure in respect of material Outstanding balances with related parties as at year end (included in 3 above)	Year ended March 31, 2026	Year ended March 31, 2025
	Outstandings:		
	Current borrowings		
	- Mr. A. Y. Noorani	239.50	239.50
	- Mr. A. Y. Noorani & Awais Noorani	35.00	
	- Mr. S. Y. Noorani	490.50	239.50
	Trade Payables		
	- Zodiac Metropolitan Clothing Gmbh	254.86	-
	- Metropolitan Trading Company	332.29	263.00
	- Munraz Enterprises	68.68	63.39
	-Montage Corporation	4.73	3.72
	-Mustang Manufacturing Company	-	6.48
	- Mr. A. Y. Noorani - Payable for Rent	37.79	26.10
	- Mr. S. Y. Noorani - Payable for Rent	46.98	32.44
	- Mashal Enterprises	34.93	13.11
	- Mr.Mohamed Adnan Noorani	-	8.03
	Other Current Liabilities - Employee benefits payable		
	- Mr. S. Y. Noorani - Remuneration	81.06	81.06
	Other Current Financial Liabilities - Interest accrued but not due		
	- Mr. A. Y. Noorani	17.07	6.00
	- Mr. A. Y. N. & Awais Noorani - Payable for Interest	1.50	
	- Mr. S. Y. Noorani	34.15	7.84
	Other payables		
	Mr. A. Y. Noorani	-	2.35
	Mr. S. Y. Noorani	-	2.35
	Security Deposit		
	- Metropolitan Trading Company	17.50	33.00
	Loans to related parties		
	- Onward LLC	475.24	432.69
	- Zodiac Metropolitan Clothing Gmbh	344.26	313.44
	Trade Receivables		
	- Zodiac Metropolitan Clothing Gmbh	77.99	63.94

Terms and Conditions:

Transactions were done in ordinary course of business and on normal terms and conditions.

Outstanding balances are unsecured and repayable in cash.

Refer note 37(ii)(b) in respect of transfer of Investment commitment by the Group to a related party.

44 Fair Value Measurement:

(i) Financial Instrument by category and hierarchy.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The interest rate on term deposits is at the prevailing market rates. Accordingly, fair value of such instrument is not materially different from their carrying amounts.

The interest rate on borrowing is at the prevailing market rates. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2026	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets											
Investments											
- Equity instruments	788.41	-	788.41	-	-	-	-	788.41	-	-	788.41
- Preference shares	-	-	-	-	-	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-	-	-
- Mutual funds	-	1,203.93	1,203.93	1,203.93	-	-	1,203.93	-	-	-	1,203.93
- Venture capital fund	1,938.60	-	1,938.60	-	-	1,938.60	1,938.60	-	-	-	1,938.60
	2,727.01	1,203.93	3,930.94	1,203.93	-	1,938.60	3,142.53	788.41	-	-	788.41
Other Assets											
- Loans to Employees	7.21	15.20	22.41	-	-	-	-	-	-	22.41	22.41
- Loans to related parties	819.50	-	819.50	-	-	-	-	-	-	819.50	819.50
- Other Financial Assets	912.62	42.41	955.03	-	-	-	-	-	-	955.03	955.03
- Trade receivable	-	1,897.80	1,897.80	-	-	-	-	-	-	1,897.80	1,897.80
- Cash and Cash equivalents	-	582.94	582.94	-	-	-	-	-	-	582.94	582.94
- Bank Balances other than cash and cash equivalents	-	0.44	0.44	-	-	-	-	-	-	0.44	0.44
	1,739.33	2,538.79	4,278.12	-	-	-	-	-	-	4,278.12	4,278.12
Financial Liabilities											
- Borrowings	-	4,824.31	4,824.31	-	-	-	-	-	-	4,824.31	4,824.31
- Derivative Financial instruments	-	228.28	228.28	-	137.23	-	137.23	-	91.05	-	228.28
- Other Financial Liabilities	67.10	411.75	478.85	-	-	-	-	-	-	478.85	478.85
- Trade Payables	-	4,013.29	4,013.29	-	-	-	-	-	-	4,013.29	4,013.29
	67.10	9,477.63	9,544.73	-	137.23	-	137.23	-	91.05	9,316.45	9,544.73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2025	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost		Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Financial Assets												
Investments												
- Equity instruments	1,313.03	-	1,313.03	-	-	-	-	1,313.03	-	-	1,313.03	1,313.03
- Preference shares	-	-	-	-	-	-	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-	-	-	-
- Mutual funds	-	221.15	221.15	221.15	-	-	221.15	-	-	-	-	221.15
- Venture capital fund	2,296.25	-	2,296.25	-	-	2,296.25	2,296.25	-	-	-	-	2,296.25
	3,609.28	221.15	3,830.43	221.15	-	2,296.25	2,517.40	1,313.03	-	-	1,313.03	3,830.43
Other Assets												
- Loans to Employees	12.65	9.48	22.13	-	-	-	-	-	-	-	-	22.13
- Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-
- Derivative financial instruments	-	17.70	17.70	-	9.14	-	9.14	-	8.56	-	8.56	17.70
- Loans to related parties	744.09	-	744.09	-	-	-	-	-	-	-	-	744.09
- Other Financial Assets	973.94	164.99	1,138.93	-	-	-	-	-	-	-	-	1,138.93
- Trade receivable	-	2,064.07	2,064.07	-	-	-	-	-	-	-	-	2,064.07
- Cash and Cash equivalents	-	712.83	712.83	-	-	-	-	-	-	-	-	712.83
- Bank Balances other than cash and cash equivalents	-	1.11	1.11	-	-	-	-	-	-	-	-	1.11
	1,730.68	2,970.18	4,700.86	-	9.14	-	9.14	-	8.56	-	8.56	4,700.86
												4,683.16
Financial Liabilities												
- Borrowings	-	4,621.37	4,621.37	-	-	-	-	-	-	-	-	4,621.37
- Derivative Financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
- Other Financial Liabilities	65.97	243.69	309.66	-	-	-	-	-	-	-	-	309.66
- Trade Payables	-	3,833.66	3,833.66	-	-	-	-	-	-	-	-	3,833.66
	65.97	8,698.72	8,764.69	-	-	-	-	-	-	-	-	8,764.69
												4,700.86
												8,764.69
												8,764.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

44 Fair Value Measurement:**(ii) Fair value of financial assets and liabilities measured at amortised cost:**

Foreign currency	As at March 31, 2026		As at March 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
- Loans to Employees	22.41	20.56	22.13	20.30
- Security Deposits	896.70	1,087.87	949.97	1,111.07
Total	919.11	1,108.43	972.10	1,131.37

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted shares and mutual funds
- the fair value of forward exchange contracts is determined using forward exchange rates at the balance sheet date
- net asset value ('NAV') / fair market value ('FMV') are determined based on audited consolidated financial statements / valuation reports / NAV / FMV provided by fund manager
- the fair value of remaining financial instrument is determined using discounted cash flow analysis.

(iv) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2026 and March 31, 2025:

	Venture Capital Fund*
As at March 31, 2024	2,543.26
Acquisitions	-
Disposal	(415.75)
Gain recognised in statement of profit and loss	168.74
As at March 31, 2025	2,296.25
Acquisitions	-
Disposal	(125.37)
Gain recognised in statement of profit and loss	(232.28)
As at March 31, 2026	1,938.60

*The Group has invested in following funds and these funds have been further invested into various companies.

1. Faering Capital India Evolving Fund
2. Paragon Partners Growth Fund - I
3. Faering Capital India Evolving Fund II
4. Tata Capital Growth Fund
5. Tata Capital Healthcare Fund

The Group has considered fair market values based on audited consolidated financial statement and/or valuation reports and/or NAV / FMV statements provided by venture capital fund.

Investment commitment in respect of venture capital funds are on "as needed" basis and will be at face value. [Refer note 37(ii)(b)]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

45 Financial Risk Management:

Financial risk management objectives and policies

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Management.

(A) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, future committed transactions, foreign currency receivables, payables, borrowings etc.

The Group manages market risk through its finance department (headed by CFO), which evaluates and exercises independent control over the entire process of market risk management. The finance department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, option contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio, which could vary on either side based on current interest rates scenario.

According to the Group interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Particulars	As at March 31, 2026	As at March 31, 2025
Total Borrowings	4,824.31	4,621.37
Borrowings bearing floating rate of interest	4,824.31	4,621.37
% of Borrowings out of above bearing variable rate of interest	100.00%	100.00%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on loss before tax

Particulars	2025-2026	2024-2025
50 bp increase- increase in loss *	24.12	23.11
50 bp decrease- decrease in loss *	(24.12)	(23.11)

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Market Risk- Foreign currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales, purchases etc. in various foreign currencies. The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts and option contracts to hedge exposure to foreign currency risk.

Derivative instruments and unhedged foreign currency exposure**(a) Derivative outstanding as at the reporting date****(Foreign Currency in Lakhs)**

Foreign currency	As at March 31, 2026		As at March 31, 2025	
	Sell Contract	Buy Contract	Sell Contract	Buy Contract
Forward Contracts USD	53.52	-	76.33	-
Forward Contracts EURO	5.86	-	6.78	-
Forward Contracts GBP	0.68	-	0.67	-

Derivative financial instruments such as foreign exchange forward and option contracts are used for hedging purposes and not as trading or speculative instruments. The Group designates these hedging instruments as cash flow hedges to hedge foreign currency risk in cash flow from firm commitment (sales order/purchase orders).

(b) Particulars of unhedged foreign currency exposures as at the reporting date**(Foreign Currency in Lakhs)**

Particulars	As at March 31, 2026			As at March 31, 2025		
	USD	EURO	GBP	USD	EURO	GBP
Trade payables	8.61	0.01	-	6.14	0.00*	-

Particulars	As at March 31, 2026			As at March 31, 2025		
	USD	EURO	GBP	USD	EURO	GBP
Trade Receivables	13.14	2.76	0.72	13.91	7.74	0.59

*amount is below the rounding off norms adopted by the group.

Foreign Currency Risk Sensitivity

A change of 5% in Foreign currency would have following Impact on loss before tax

Particulars	March 31, 2026		March 31, 2025	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(18.88)	18.88	(32.39)	32.39
EURO	(12.40)	12.40	(34.92)	34.92
GBP	(3.79)	3.79	(3.12)	3.12
Increase / (decrease) in loss	(35.07)	35.07	(70.43)	70.43

Market Risk- Price Risk**(a) Exposure**

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet at fair value through Other Comprehensive Income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of portfolio is done in accordance with limits set by the Group.

(b) Sensitivity

(i) The table below summarises the impact of increases/decreases of the BSE index on the Group's equity and other comprehensive income for the year arising from portfolio of investment in equity shares of listed companies. The analysis is based on the assumption that the index has increased by 10 % or decreased by 10 % with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Impact on Other Comprehensive Income	
	31-Mar-26	31-Mar-25
BSE Sensex 30- Increase 10%	78.84	131.30
BSE Sensex 30- Decrease 10%	(78.84)	(131.30)

Above referred sensitivity pertains to quoted equity investment (Refer note 8). Other Comprehensive Income for the year would increase/ (decrease) as a result of gains/losses on equity securities as at fair value through Other Comprehensive Income.

(ii) The table below summarises the impact of increases/decreases in the net asset value (NAV) / fair market value (FMV) of Group investment in venture capital fund units and statement of profit and loss for the year arising from portfolio of investment in venture capital funds. The analysis is based on the assumption that the NAV / FMV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Group venture capital funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2026	March 31, 2025
- Increase 10%	193.86	229.63
- Decrease 10%	(193.86)	(229.63)

*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

(iii) The table below summarises the impact of increases/decreases in the net asset value (NAV) of Group investment in mutual fund units and statement of profit and loss for the year arising from portfolio of investment in mutual funds. The analysis is based on the assumption that the NAV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Group mutual funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2026	March 31, 2025
- Increase 10%	120.39	22.12
- Decrease 10%	(120.39)	(22.12)

*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

(B) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from trade receivables, cash and cash equivalents, deposit with banks, derivative financial instruments, investments, loan to employee and security deposits. The Group manages and analyses the credit risk for each of its new customers before standard payment and delivery terms and conditions are offered.

Credit risk on cash and cash equivalents, deposit with banks, derivative financial instruments and investment is limited as Group generally deals with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual and accredited venture fund.

While loans and security deposits for rental premises, loan to related parties and loan to employees are subjected to the impairment requirement of Ind AS 109, the identified impairment loss was immaterial.

(i) Credit risk management:

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

(B) Credit risk (Contd....)

Sale to retail customers are required to be settled in cash or using major cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors or regions. In respect of sales to export customers (including sales done by subsidiary), there are no past history of losses, thus the identified expected credit loss was immaterial.

Credit risk for domestic trade receivable is managed by the Group through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Group grants credit terms in the normal course of business.

Loss allowance for expected credit losses**The Group provides for expected credit loss on trade receivables under simplified approach****As at March 31, 2026**

Particulars	Total
Gross carrying amount	584.73
Expected Credit loss - measured at life -time expected credit loss	398.60
Carrying amount of trade receivables (net of impairment)	186.13

As at March 31, 2025

Particulars	Total
Gross carrying amount	446.02
Expected Credit loss - measured at life -time expected credit loss	398.60
Carrying amount of trade receivables (net of impairment)	47.42

Reconciliation of loss allowance – Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Opening provision	398.60	398.60
Add:- Additional provision made	-	-
Closing provisions	398.60	398.60

No Significant changes in estimation techniques or assumptions were made during the year.

Significant estimates and judgements:**Impairment of financial assets**

The impairment provision for financial assets disclosed above are based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

(C) Liquidity Risk

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, Group's finance department 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 below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2026	As at March 31, 2025
Floating Rate		
Expiring within one year (Current Borrowing facilities)	1,047.63	889.63
Expiring beyond one year (bank loans)	-	-

The bank loan facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the non-continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

(ii) Maturity patterns of borrowings

Particulars	As at March 31, 2026				As at March 31, 2025			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Non current borrowings (Including current maturity of long term debt)	-	-	-	-	-	-	-	-
Current borrowings	4,824.31	-	-	4,824.31	4,621.37	-	-	4,621.37
Total	4,824.31	-	-	4,824.31	4,621.37	-	-	4,621.37

Maturity patterns of Financial Liabilities - other than borrowings

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments -

As at March 31, 2026	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	2,689.33	365.91	517.62	440.43	4,013.29
Lease Liabilities	389.46	334.63	673.12	4,469.90	5,867.11
Other Financial Liabilities	344.12	-	11.09	123.64	478.85
Total	3,422.91	700.54	1,201.83	5,033.97	10,359.25

As at March 31, 2025	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	3,234.70	242.24	82.81	273.91	3,833.66
Lease Liabilities	290.79	209.71	431.12	3,873.01	4,804.63
Other Financial Liabilities	127.25	63.36	19.98	99.07	309.66
Total	3,652.74	515.31	533.91	4,245.99	8,947.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

45 Financial risk management (contd.)

Impact of Hedging Activities

(a) Disclosure of effects of hedge accounting on financial position:

Cash flow hedge of Foreign exchange risk as at March 31, 2026:

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	5,710.17	(126.13)	1:1	(126.13)	(126.13)

Cash flow hedge of Foreign exchange risk as at March 31, 2025:

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	7,285.72	11.87	1:1	11.87	11.87

(b) Disclosure of effects of hedge accounting on financial performance:

Cash flow hedge March 31, 2026

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	(126.13)		(11.87)	Revenue
	(126.13)		(11.87)	

Cash flow hedge March 31, 2025

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	11.87		(5.96)	Revenue
	11.87		(5.96)	

Amount in bracket represents expense/ loss

* The foreign exchange forward contracts and option contract are denominated in the same currency as the firm commitment (sales order/purchase orders), therefore the hedge ratio is 1:1.

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of hedging instrument match exactly with the terms of the hedged items, and so a qualitative assessment of effectiveness is performed.

45 Financial risk management (contd.)**Movements in cash flow hedging reserve**

Derivative Instrument	Foreign exchange forward contracts - SELL	Foreign exchange forward contracts - BUY	Foreign exchange options	Total
Balance – As at March 31, 2024	4.29	-	-	4.29
Change in fair value of foreign exchange forward contract	11.87	-	-	11.87
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	(5.96)	-	-	(5.96)
Deferred tax relating to the above (net)	(1.64)	-	-	(1.64)
Balance – As at March 31, 2025	8.56	-	-	8.56
Change in fair value of foreign exchange forward contract	(126.13)	-	-	(126.13)
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	(11.87)	-	-	(11.87)
Deferred tax relating to the above (net)	38.39	-	-	38.39
Balance – As at March 31, 2026	(91.05)	-	-	(91.05)

** Amount is below the rounding off norms adopted by the Group.

Amount in bracket represents expense/ loss

46 Capital Management :

The Group aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Group's management monitors the return on capital as well as the level of dividends to shareholders.

- 47** Effective 21 November 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations.

Based on the best information available and in line with the guidance issued by the Institute of Chartered Accountants of India, the Group has assessed and disclosed the incremental impact of these changes. The incremental impact, amounting to ₹ 116.35 lakhs relating to gratuity and long-term compensated absences, primarily arises from the revised definition of wages.

The Group continues to monitor the finalisation of Central/ State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

48 Additional Regulatory Information and Disclosures as required by Schedule III

- a) Details of benami property held: No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.”
- b) Borrowing secured against current assets:
Holding Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Holding Company with banks are in agreement with the books of accounts except for the statements submitted for the quarter ended June 2025, September 2025 and December 2025. The return/statement for the quarter ended March 31, 2026 is submitted by the Group on provisional basis. The Amounts reported by the Holding Company in the quarterly statements submitted to the banks for the aforesaid quarters are lower than the balance as per unaudited books of accounts and consideration of such reporting was to cover at a minimum the security requirements as specified in the sanction letter.
- b) Borrowing secured against current assets: Holding Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Holding Company with banks are in agreement with the books of accounts.
- c) Wilful defaulter: Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- d) Relationship with struck off companies: The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- e) Compliance with number of layers of companies: The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- f) Compliance with approved scheme(s) of arrangements: The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- g) Registration of charges or satisfaction with Registrar of Companies: There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- h) Utilisation of borrowed funds and share premium: 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:
(i). 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
(ii). provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
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:
(i). directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii). provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- i) Undisclosed income:
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.”
- j) Details of crypto currency or virtual currency:
The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- k) Valuation of Property, plant & equipment, other intangible assets and investment property:
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.”
- l) Utilisation of borrowings availed from banks and financial institutions:
The borrowings obtained by the Holding Company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- m) The Group’s international transactions and domestic transactions with related parties are at arm’s length as per the independent accountants report for the year ended 31 March 2025. Management believes that the Group’s international transactions and domestic transactions with related parties for the year ended 31 March 2026 and post 31 March 2026 continue to be at arm’s length and that the transfer pricing legislation will not have any impact on these consolidated financial statements, particularly on amount of tax expense and that of provision for taxation.
- n) Following disclosures are not applicable for consolidated financial statements as per Schedule III:
(a) Title deeds of immoveable properties
(b) Accounting ratios
- o) The Holding Company has made preferential allotment of shares during the year amounting to ₹ 1,500 lakhs. The amount raised has been used for purposes for which they were raised except for idle/surplus funds amounting to ₹ 974 lakhs which were not required for immediate utilization and which has been invested in liquid investments payable on demand.
- p) Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in ₹ Lakhs, unless otherwise stated)

49 There are no significant subsequent events that would require adjustments or disclosures in the Consolidated Financial Statements as on balance sheet date.

50 The Holding Company has used an accounting software for processing of revenue, which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of this accounting software to log any direct data changes.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, the management of the Holding Company did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved by the Holding Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

All the subsidiaries (including step down subsidiaries) are located outside India and accordingly, reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable to these entities.

51 These Consolidated Financial Statements were authorised for issue by the directors on May 28, 2026.

As per our attached report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W / W101187

For and on behalf of Board of Directors of
Zodiac Clothing Company Limited
CIN: L17100MH1984PLC033143

Sd/-
Ankush Agrawal
Partner
Membership No. 159694

Sd/-
Salman Yusuf Noorani
Chairman & Managing Director
DIN: 00068423

Sd/-
Mohamed Awais Jehangir Noorani
Executive Director - Exports
DIN: 00951424

Place: Mumbai
Date: May 28, 2026

Sd/-
Mahabala Bealthur
Chief Financial Officer

Sd/-
Kumar Iyer
Company Secretary
Membership No. ACS9600

Place: Mumbai
Date: May 28, 2026



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