CIN No. : L18101PB1996PLC017639

PHONES : (O) 7508177414
WORKS : 7508177066
Landline : 0183-4009025
E-mail : info@kaytexfabrics.com

Kaytex Fabrics Ltd.
Specialists in : SUITINGS, SHIRTINGS
Sales Office :
After Suncity Turn, Main Batala Road,
Amritsar-143 001

Ref. No. ....   Dated ....

Date: August 06, 2026

To,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E) Mumbai - 400 051

Symbol: Kaytex

Sub: Annual Report FY 2025-26 and Notice of the 29th Annual General Meeting of Kaytex Fabrics Limited

Dear Sir/ Ma'am,
Pursuant to the Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report for the financial year 2025-26 along with the Notice of the 29th Annual General Meeting of the Company scheduled to be held on Saturday, August 29, 2026, at 1:30 P.M. IST through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

The said Annual Report along with the Notice of the AGM, is sent through electronic mode to all the Members of the Company whose e-mail addresses are registered with the Company/ Depository Participant(s).

The Annual Report and the Notice of the AGM are also available on the Company's website at:

Particulars	Website Link
29th Annual General Meeting Notice	Clickhere
29th Annual Report	Clickhere

Kindly take the same on your record.
Thanking You,

FOR KAYTEX FABRICS LIMITED

Amit Kandhari Digitally signed by Amit Kandhari
Date: 2026.08.06 15:40:33 +05'30'

AMIT KANDHARI
WHOLE-TIME DIRECTOR & CFO
DIN: 01412828

Kaytex Fabrics Limited

Annual Report **2025-26**

Building for the Long term

Building for the Long Term

Kaytex Fabrics began in 1996 as a family-run weaving business in Amritsar. Today, it is an integrated fabric and fashion manufacturer, serving customers across Northern India and, increasingly, overseas. The focus now is to give that business the systems, the people and the discipline of a professionally run institution.

Over the year the Company has continued to broaden its organisation, sharpen roles and responsibilities, and bring in professional talent from outside the family. This is deliberate, patient work, and it underpins every other initiative described in these pages.

FY26 was a year of consolidation rather than acceleration, with growth slower than in recent years. Raw material costs rose sharply as geopolitical disruption in the Middle East affected the price of yarn and greige fabric. Domestically, the cross-border hostilities during Operation Sindoor in May 2025 disrupted movement and demand across Punjab and the northern markets in the first quarter, and the floods that followed in the second quarter set trade back further.

The Company held its volumes through careful inventory planning and continued to invest in the capabilities that will carry it forward.

Those capabilities rest on a single principle: control of the entire process, under one roof. From the sourcing of yarn through weaving, dyeing, printing and value addition, Kaytex manufactures in-house. This integration is the source of the Company's quality, its speed and its margins - a rare model at this scale, and one we protect deliberately.

The theme of this report, Building for the Long Term, describes where the Company stands: an integrated manufacturing base, expanding digital printing capacity, a growing brand portfolio, and a young export business. The work ahead is to build on these foundations steadily, and to earn a reputation that lasts.

Inside this Report

CORPORATE OVERVIEW

FY26 Financial Highlights

₹161.24 crore
REVENUE FROM OPERATIONS

₹29.99 crore
EBITDA

₹17.43 crore
PAT

18.60%
EBITDA MARGIN

10.81%
PAT MARGIN

About this Report

This is the first annual report in which Kaytex Fabrics Limited speaks to its shareholders at length, beyond the statutory and audited disclosures. It has been prepared to give shareholders, customers and other stakeholders a considered account of the Company and its performance during the financial year 2025-26.

REPORTING PERIOD AND BOUNDARY

The report covers the financial year from 1 April 2025 to 31 March 2026 (FY26). Unless stated otherwise, the information relates to Kaytex Fabrics Limited and its manufacturing, processing and distribution operations based in Amritsar, Punjab. Comparative figures are presented for FY24 and FY25 where available.

BASIS OF THE FINANCIAL AND OPERATIONAL INFORMATION

Financial information is drawn from the Company's audited financial statements for the year. Operational information, including capacity, production, distribution and workforce data, is drawn from the Company's internal records.

FORWARD-LOOKING STATEMENTS

This report contains statements about the Company's plans and expectations that are forward looking in nature. These statements are based on assumptions and information available as on the date of the report and are subject to risks and uncertainties. Actual results may differ from those expressed or implied. The Company undertakes no obligation to update any forward-looking statement.

FEEDBACK

We welcome feedback on this report. Correspondence may be addressed to the Company Secretary and Compliance Officer at the registered office, or by email at **investor@kaytexfabrics.com.**

About Kaytex Fabrics

An Integrated Maker of Fabric and Fashion

Kaytex Fabrics Limited is a fast-fashion fabric and manufacturing company, founded in 1996 and based in Amritsar, Punjab. The Company offers a diversified product portfolio spanning digitally printed, jacquard, dobby, and corduroy fabrics across cotton, viscose, modal, acrylic, nylon, linen, and polyester, alongside ready-to-stitch womenswear, co-ord sets, shawls, scarves, and stoles — giving it reach across both fabric supply and finished fashion.

Kaytex has an integrated value-chain that few peers can match at this scale. The Company manages the entire process in-house, from yarn sourcing through weaving, dyeing, digital printing, and value addition, all under one roof. This translates directly into tighter quality control, faster turnaround, and stronger margins, and it gives Kaytex the flexibility to serve everything from small customised runs to large-volume trade orders without compromising on either.

The Company's manufacturing, processing, storage, and dispatch operations are in Amritsar, complemented by a distribution network built on trade relationships across Northern India spanning nearly thirty years.

Kaytex's revenue base is diversified across three routes to market: partnering with established and emerging apparel brands as a brand enabler; building direct consumer reach through its own brand portfolio — Rasiya, Kaytex, and Darbaar-e-Khaas — across Northern India; and serving bulk buyers, wholesalers, and retailers through its non-branded segment. This mix reduces dependence on any single channel and gives the Company multiple levers for growth.

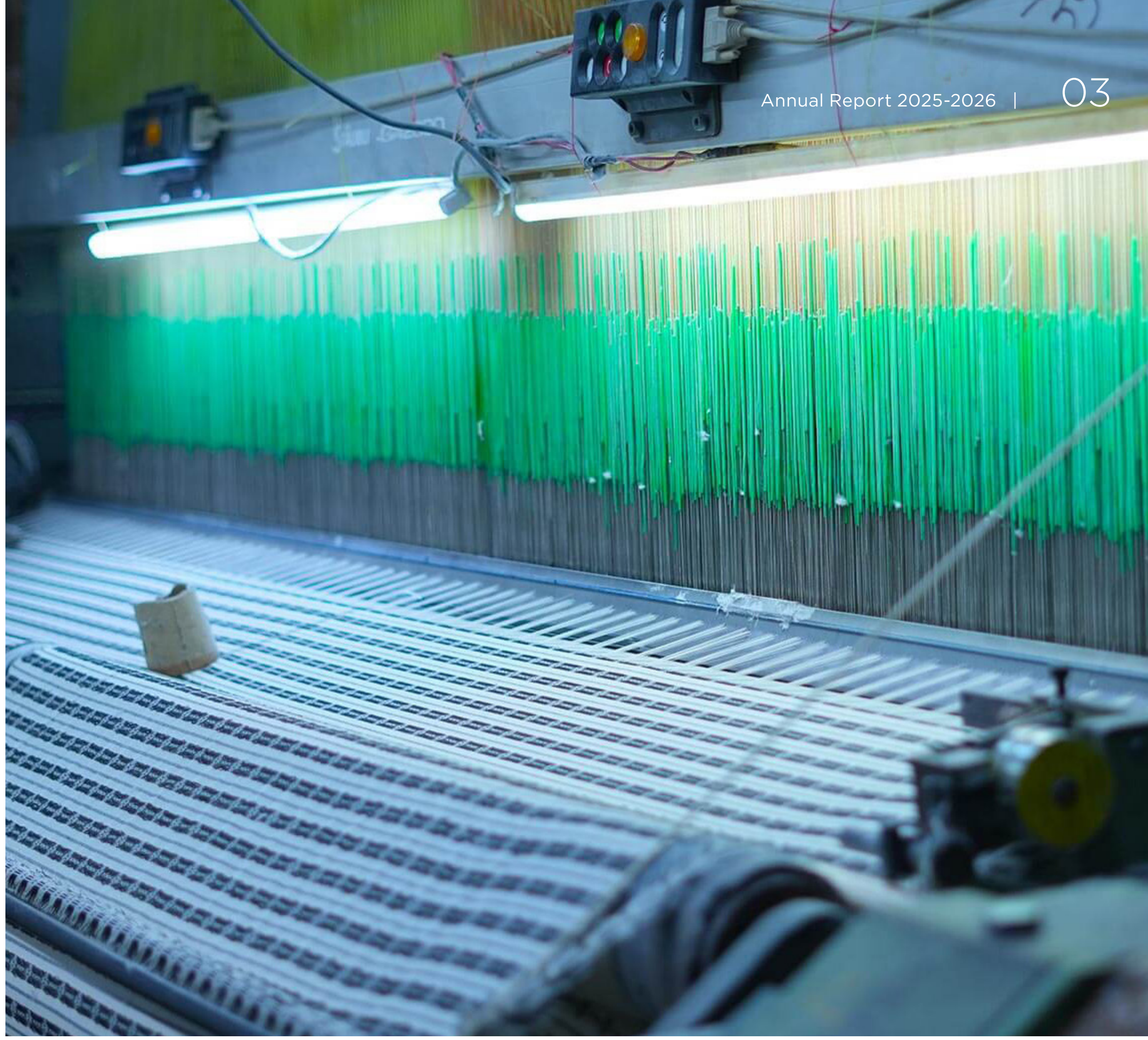
THREE ROUTES TO MARKET

- **Brand enabler:** The Company supplies fabrics and designs to other apparel brands, chiefly in the larger cities.
- **Own brands:** Through Rasiya, Kaytex and Darbaar-e-Khaas, the Company sells fabrics and ready-to-stitch garments directly to consumers through distributors, mainly in Tier 2, Tier 3 and Tier 4 towns of Northern India.
- **Non-branded segment:** The Company supplies bulk buyers, wholesalers and retailers who value flexibility and cost efficiency.

OUR PURPOSE AND VALUES

Kaytex Fabrics exists to make good design accessible, bringing modern technology and traditional craftsmanship together to produce quality fabrics and ready-to-stitch fashion at prices its customers can afford.

As it institutionalises, the Company is guided by a consistent set of values: integration, keeping the full production process in-house; craft with technology; value for money; adaptability to fast-changing fashion; responsibility in energy, water and materials; and the steady building of an institution beyond its founders.



KAYTEX AT A GLANCE

1996
YEAR FOUNDED, IN AMRITSAR, PUNJAB

3
ROUTES TO MARKET: BRAND ENABLER, OWN BRANDS AND NON-BRANDED

₹161.24 crore
REVENUE FROM OPERATIONS, FY26

~142 lakh metres
INSTALLED DIGITAL PRINTING CAPACITY PER ANNUM

18.60%
EBITDA MARGIN, FY26

>200
DISTRIBUTORS AND DEALERS ACROSS THE NETWORK

Our Journey

Three Decades of Building Capability

The Company's history has been one of steady addition. Each phase brought a new capability, moving the business from a single weaving unit towards the integrated manufacturer it is today. The journey falls into four broad phases.

1996 to 2008

Phase one: foundations in weaving

In 1996, the Company was incorporated as a private limited company and began operations at Gali Murgi Khana, Batala Road, Amritsar.

Between 1998 and 2004, the Company added shuttle-less rapier looms, established a weaving unit at Village Balkalan, Majitha, expanded into shirting fabrics and raised its dobby fabric capacity, and its revenue crossed ₹1,000 lakh.

In 2008, the Company set up a jacquard unit at Village Balkalan, Majitha, and its revenue crossed ₹2,500 lakh.

2009 to 2019

Phase two: becoming fully integrated

Between 2009 and 2010, the Company set up a fabric processing unit and introduced dyeing and finishing, evolving into a fully integrated composite unit.

Between 2013 and 2017, the Company raised its jacquard and dobby fabric capacity, and its revenue crossed ₹5,000 lakh.

In 2019, the Company raised its jacquard fabric capacity to 25 lakh metres a year.

2020 to 2023

Phase three: brands and digital printing

In 2020, the Company began digital printing operations, with an initial capacity of 3 lakh metres a year.

In 2021, the Company launched the Rasiya brand, entering the fashion segment, and its digital printing capacity reached 10 lakh metres a year.

Between 2022 and 2023, the Company raised its jacquard and digital printing capacity, and its revenue crossed ₹9,500 lakh.

2024 to 2026

Phase four: institution and listing

In 2024, the Company launched Darbaar-e-Khaas, established a sales office in Mumbai, converted from a private to a public limited company, and raised its digital printing capacity to 85 lakh metres a year, and its revenue crossed ₹12,000 lakh.

In FY25, the Company listed on the NSE Emerge platform, taking the first step towards becoming a professionally run institution.

In FY26, the Company substantially expanded its digital printing capacity, added an aari embroidery value-addition line, and continued to broaden the organisation.

Our Business Model

One Base, Three Routes to Market

The Company owns its full production chain and takes that output to market through three channels. This lets it capture value at each stage and serve a wide spread of customers from a single manufacturing base.

AN INTEGRATED VALUE CHAIN

Production begins with the purchase of yarn and moves through weaving, dyeing and processing, digital printing and, finally, embroidery and other value addition. Every step is carried out within the Company's own units. Keeping the full sequence in-house gives the Company firm control over quality, timelines and cost, and lets it retain more of the value in each product. It is the main reason the Company earns margins that are high for the textile industry.

Three core channels

	What it does	Where it sells
Brand enabler	Supplies fabrics and trend-led designs to apparel brands and handles product development and execution.	Chiefly the larger cities.
Own brands	Sells fabrics and ready-to-stitch garments and accessories under Rasiya, Kaytex and Darbaar-e-Khaas.	Mainly Tier 2, Tier 3 and Tier 4 towns of northern India.
Non-branded	Supplies fabrics, garments and accessories in bulk to wholesalers and retailers.	Across the trade; keeps capacity well used.

DIVERSIFIED AND RESILIENT

Two features add resilience to the model. Customer concentration is low, and the share of the top customers in revenue has declined over recent years, which reduces dependence on any single account. Supplier relationships are long-standing and spread across Punjab, Gujarat and Tamil Nadu, which supports steady input quality and pricing. Together these give the revenue base stability through changing market conditions.

Labels Built for the Markets We Know

Kaytex's brand portfolio is deliberately built across price points and consumer segments, giving the Company multiple ways to capture value from the same integrated manufacturing base — from premium ethnic wear to accessible, everyday fashion.

RASIYA

Rasiya is Kaytex's premium ethnic wear brand, built around digitally printed fabrics and intricately embroidered unstitched suits. Positioned for consumers who value sophistication and exclusivity, Rasiya sits at the upper end of the Company's brand portfolio, translating cultural craftsmanship and design artistry into product that competes on quality and detail rather than price. Rasiya is the Company's principal brand and its main growth engine and recorded the strongest volume growth in the portfolio during the year. It remains a clear focus for the next few years.

KAYTEX

The Kaytex brand specialises in jacquard suits and shawls, blending traditional design with modern technique. It serves customers who look for the distinctive textures and patterns that jacquard weaving allows, and draws directly on the Company's long weaving heritage.

DARBAAR-E-KHAAS

Darbaar-e-Khaas is the Company's value-driven ethnic wear brand, offering unstitched suits and stoles at accessible price points without compromising on quality.

A NEW VALUE-ADDITION LINE

The Company added an AARI embroidery line during the year, expanding its value addition capabilities. The addition reflects Kaytex's continuing effort to widen the range of value addition it can offer and stay a single-stop solution for customers, with the line planned for expansion in both scale and range going forward.

Products and Applications

A Fabric for Every Need

The Company's product range reflects the breadth of its manufacturing base. From one integrated operation it produces four principal fabric types, each on dedicated technology, together with ready-to-stitch garments and accessories. This lets the Company serve fashion, ethnic wear and home applications, and move quickly as demand shifts between them.

WHAT WE MAKE

Product

Digitally printed fabrics

Vibrant, high-resolution prints for fashion apparel and home textiles, produced with precision, customisation and quick turnaround. The Company's largest and fastest-growing fabric line.

Jacquard fabrics

Intricately woven patterns for suits, shawls, stoles and ethnic wear, drawing on the Company's long weaving heritage.

Corduroy fabrics

Ribbed, durable and versatile fabrics suited to both fashion and home textiles, produced in a variety of weights and patterns.

Dobby fabrics

Geometric-patterned woven fabrics for apparel and home textiles, produced across a range of fibres, colours and finishes.

Ready-to-stitch garments

Womenswear including suits and co-ord sets, and accessories such as shawls, scarves and stoles, in contemporary designs.

FIBRES AND INPUTS

The Company produces from a wide range of fibres, including cotton, viscose, modal, acrylic, nylon, linen and polyester, chosen to suit the fabric and its end use. Its principal inputs are yarn, greige fabric, and chemicals, dyes and inks.

END USES

The Company's fabrics and garments serve womenswear, menswear and kidswear, spanning dresses, kurtis, co-ord sets, printed and jacquard suits, embroidered suits, shawls, stoles and scarves, together with shirting and home textile applications. This breadth spreads output across seasons and categories rather than depending on any single line.

Manufacturing and Integration

Capability Under One Roof

The Company manufactures at its facilities in and around Village Balkalan, Majitha, Amritsar, supported by storage, packing and dispatch units at Batala Road and Gali Murgi Khana. Together these house weaving, jacquard, embroidery and design; printing, dyeing and processing; sizing; and finishing, so that a product can move from yarn to dispatch without leaving the Company's control.

WHAT EACH UNIT DOES

Weaving, jacquard, embroidery and design

Production of fabrics with intricate patterns and detailing, using rapier weaving machines and electronic jacquard looms, supported by an in-house design team.

Printing, dyeing and processing

Digital printing on a range of fabrics, with dyeing of both yarns and fabrics and pre- and post-treatment, using water-efficient dyeing and low-impact inks.

Sizing

Preparation of warp yarns to add strength and smoothness ahead of weaving and printing.

Storage, packing and dispatch

Inventory management for yarns, dyes, inks and greige fabrics, and packing and dispatch of finished goods.

MODERNISING THE PRINTING BASE

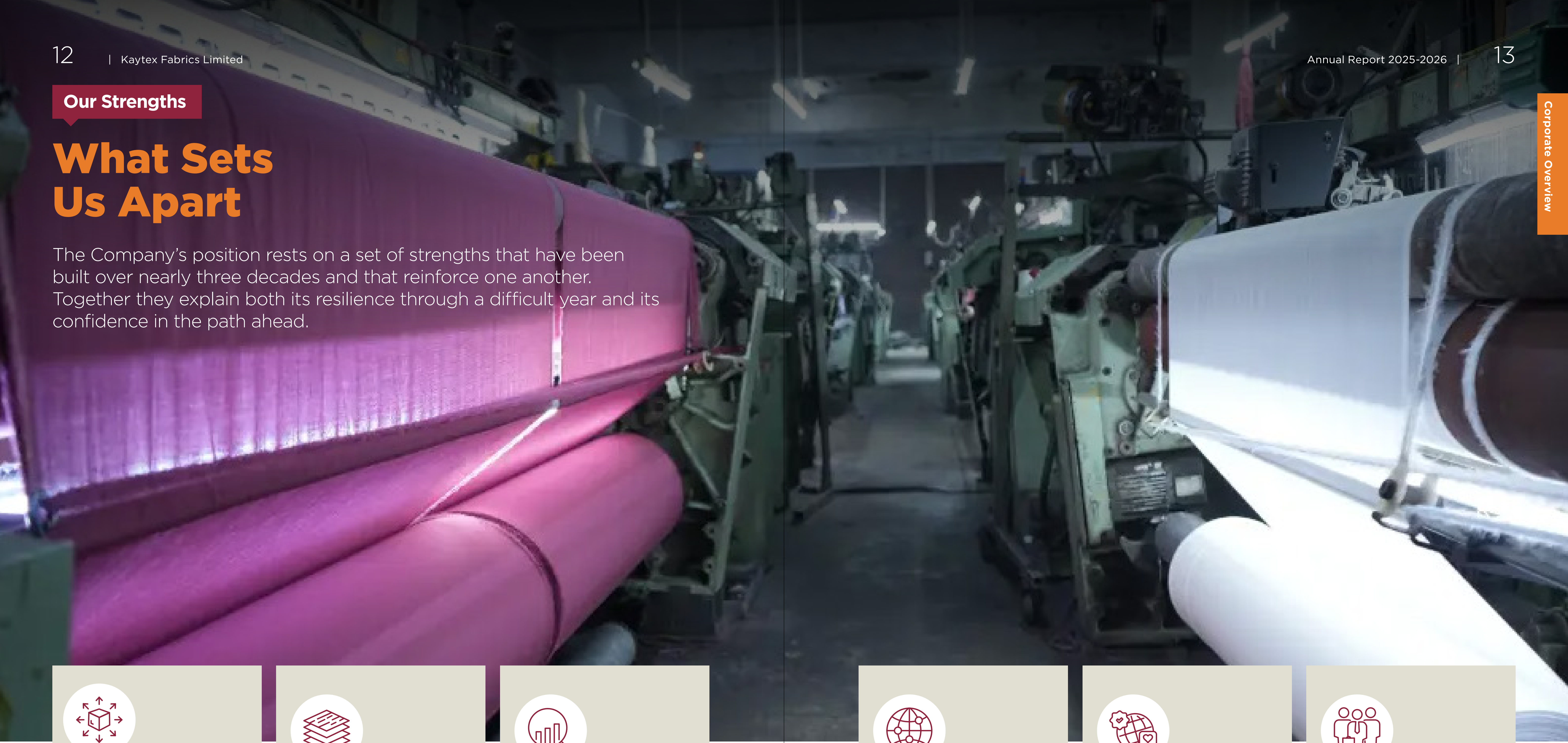
The most significant investment of recent years has been in digital printing. Over FY26 the Company modernised and substantially expanded this capability, adding advanced machinery that improved both the volume and the quality of output and allowed it to serve larger and higher-value customers. This shift is central to the Company's economics, as digital printing carries more value addition than its other lines. A further digital printing machine has been ordered and is expected to be commissioned within a few months of the date of this report, taking capacity higher still.

KEY MACHINERY

The Company's facilities are equipped with imported and specialised machinery suited to each stage of production. Weaving is carried out on Sulzer rapier machines, and intricate designs on electronic jacquard looms. The printing, dyeing and processing unit runs high-capacity digital printing machines, a hot-air stenter for drying, curing and heat setting, a mercerising machine and a comprehensive shrinkage range for finishing. This base lets the Company process a wide range of fibres and fabric widths to a consistent standard, and keep every stage of manufacture within its own control.

INSTALLED CAPACITY AND PRODUCTION

Metric (lakh metres per annum)	FY24	FY25	FY26
Digital printing installed capacity	43.53	92.16	141.52
Jacquard installed capacity	44.03	44.03	44.03
Other woven installed capacity	22.58	22.58	22.89
Total installed capacity	110.14	158.77	208.44
Total production	87.65	109.31	132.60
Overall capacity utilisation (%)	79.58	68.85	63.50



Our Strengths

What Sets Us Apart

The Company's position rests on a set of strengths that have been built over nearly three decades and that reinforce one another. Together they explain both its resilience through a difficult year and its confidence in the path ahead.

A SINGLE-STOP, INTEGRATED MANUFACTURER

The Company offers customers a single source for design, fabric, printing and value addition, all produced in-house across digital printing, weaving, jacquard and embroidery. This integration gives customers a rare combination of quality, speed and cost, and gives the Company control over the entire process from design to finished product. It is the foundation of the Company's differentiation.

LEADERSHIP IN DIGITAL PRINTING

The Company was an early and successful adopter of digital printing, and has scaled it rapidly to approximately 142 lakh metres a year. Its combination of product quality, competitive pricing and design has allowed it to win share as the market shifts from traditional to digital methods, and this line now leads both its growth and its margin.

HIGH MARGINS FOR THE INDUSTRY

The Company's profitability is high for the textile sector, with EBITDA margins in the high teens to around twenty percent in recent years. This reflects the value it retains through vertical integration, together with the growing share of higher value-added digital printing and value-addition processes in its mix.

CROSS-SEGMENT AND CROSS-GEOGRAPHY REACH

The Company serves brands in the larger cities as a brand enabler, and consumers in Tier 2, Tier 3 and Tier 4 towns through its own and non-branded products. This spread, across both segments and price points, gives it balance and a wide base of demand to draw on.

A WELL-SPREAD NETWORK AND LOW CONCENTRATION

An established distribution and broker network, low customer concentration and long-standing supplier relationships give the Company steady revenues and dependable inputs. No single customer dominates the book, which adds resilience to changes in any one account or market.

EXPERIENCED LEADERSHIP, BROADENING BASE

The Company is led by promoters with long experience in textile manufacturing, supported by an increasingly professional management team. As it institutionalises, it is adding talent and defining roles below the promoter level, so that its strengths become embedded in the organisation rather than in individuals.

Reaching the Market

A Network Built on Relationships

The Company reaches its customers through a distribution and broker network that it has expanded steadily over the years, and through direct relationships with apparel brands. The network spans large cities, where the Company acts chiefly as a brand enabler, and semi-urban and rural markets, where its own and non-branded products reach consumers.

A GROWING NETWORK

Metric

Distributors and dealers (#)

FY26	**178**
FY25	154
FY24	132
FY23	123

Brokers and agents (#)

FY26	**60**
FY25	71
FY24	60
FY23	56

LOW AND DECLINING CUSTOMER CONCENTRATION

The Company's revenue is well spread across its customer base. The share of its top customers in revenue is modest and has declined over recent years, which reduces dependence on any single account and adds resilience.

Concentration (%)

Top-15 customers, share of sales

FY26	**43.80**
FY25	49.23
FY24	45.10

Top-20 customers, share of sales

FY26	**49.32**
FY25	55.08
FY24	51.16

LONG-STANDING SUPPLIER RELATIONSHIPS

On the supply side, the Company works with a stable base of suppliers in Punjab, Gujarat and Tamil Nadu, built over many years. Its purchases are reasonably spread rather than dependent on a few vendors, which supports consistent quality, better pricing and dependable delivery of yarn, greige fabric and chemicals.

Supplier concentration (%)

Top-10 suppliers, share of purchases

FY26	**56.25**
FY25	68.55
FY24	62.26

Top-15 suppliers, share of purchases

FY26	**61.05**
FY25	73.43
FY24	70.34

DOMESTIC REACH AND EXPORTS

The Company is well established across Punjab and intends to extend its reach into other parts of northern India, including Chandigarh, Delhi, Haryana and Jammu, using its expanded printing capacity to win new clients and widen its product categories. In exports, it has built a small but higher-margin business, which grew about 42% during the year, supported by the wider shift in global sourcing towards India.

The Company served its export customers across a small number of overseas markets during the year. The number of export markets in FY26 is 2, and the total active customer count for the year is 14.

Key Performance Indicators

The Year in Numbers

Revenue and profit grew over the prior year, and the balance sheet strengthened considerably following the public issue.

FINANCIAL HIGHLIGHTS

Revenue from operations
(₹ In lakh)

₹16,124.12 lakh

FY26	**16,124.12**
FY25	15,481.15
FY24	12,660.31

EBITDA
(₹ In lakh)

₹2,999.00 lakh

FY26	**2,999.00**
FY25	2,986.23
FY24	2,236.49

EBITDA margin
(In %)

18.60 %

FY26	**18.60%**
FY25	19.29%
FY24	17.67%

Profit after tax
(₹ In lakh)

₹1,742.70 lakh

FY26	**1,742.70**
FY25	1,578.65
FY24	1,114.89

PAT margin
(In %)

10.81 %

FY26	**10.81%**
FY25	10.20%
FY24	8.81%

Earnings per share
(In ₹)

₹12.79

FY26	**12.79**
FY25	13.73
FY24	222.98

Shareholders' funds
(₹ In lakh)

₹11,652.32 lakh

FY26	**11,652.32**
FY25	4,973.78
FY24	3,395.11

Debt-to-equity
(In Times)

0.21 Times

FY26	**0.21**
FY25	0.80
FY24	1.05

OPERATIONAL HIGHLIGHTS

Export revenue
(₹ In lakh)

₹944.14 lakh

FY26	**944.14**
FY25	664.82

Digital printing installed capacity
(lakh metres p.a)

141.52

FY26	**141.52**
FY25	92.16

Distributors and dealers
(#)

178

FY26	**178**
FY25	154

Permanent employees and workers
(#)

630

FY26	**630**
FY25	633

In-house designers
(#)

47

FY26	**47**
FY25	36

Message from the Chairman and Managing Director

From a Family Business to an Institution

Dear Shareholders,

This is the first annual report in which we speak to you at length, beyond the statutory disclosures, and I am glad to use it to set out plainly where your Company stands, how it performed during the year, and what we are working towards.

Our listing in FY26 was the first step in a deliberate journey to build Kaytex into a professionally run institution rather than a family-run business. This year we took the second step. We have continued to broaden the organisation, define clearer roles, and bring in professional talent from outside the family to strengthen the layers below the promoters. This is measured work, and it will take time, but it underpins everything else we are doing.

THE YEAR IN BRIEF

FY26 was a year of consolidation. Our growth was slower than the rates we have historically achieved and below the targets we had set ourselves, largely for reasons outside our control. The cross-border hostilities of Operation Sindoor in May 2025 disrupted movement and sentiment across Punjab, where much of our business sits, and the floods that followed in the second quarter set trade back further, leaving local demand subdued through much of the first half. Towards the close of the year, conflict in the Middle East pushed up the price of yarn and greige fabric sharply. Having secured raw material in advance, we contained the effect on FY26 input costs, though it leaves us watchful on procurement as we enter the new year. We managed our volumes well through the period, but the year as a whole fell short of our ambitions.

Against that backdrop, the results held up reasonably well. Revenue from operations grew to ₹16,124.12 lakh, and profit after tax rose to ₹1,742.70 lakh, an increase of approximately 10% over the previous year. Profit grew faster than revenue, and our PAT margin improved to 10.81%.

This year we took the second step. We have continued to broaden the organisation, define clearer roles, and bring in professional talent from outside the family to strengthen the layers below the promoters.

WHERE WE INVESTED

The strength of the year lay in what we built. We modernised and substantially expanded our digital printing capacity, which now stands at approximately 142 lakh metres a year. Digital printing is the fastest-growing part of our business and carries more value addition than our other lines, supported by a structural shift in the market from traditional printing to digital. We should be equally frank that this segment is becoming more competitive, and that margins have come under pressure in recent months. Our response is to hold our margins through the depth of our in-house integration and the value we add.

BRANDS AND EXPORTS

Our own brands, led by Rasiya, continued to perform well, with Rasiya recording the strongest growth in the portfolio. Our export business, though small, grew from ₹664.82 lakh to ₹944.14 lakh, an increase of about 42%, earning higher margins than our domestic business. We see exports as both an opportunity and a useful hedge, supported by the shift in global sourcing towards India, and we intend to keep building it from its current small base.

WORKING CAPITAL

We are conscious that a large part of our profit remains tied up in working capital. Our model, with many stages held in-house, requires us to carry more inventory than an average company of our size, which lengthens our cash cycle. Some of this is structural and necessary to protect our margins and our ability to deliver quickly. Even so, streamlining our inventory and related processes is a clear priority, and we expect to make progress on it in the period ahead.

PEOPLE AND SUSTAINABILITY

Sustainability follows from the way we manufacture. Digital printing is a more responsible technology, using less water and generating less waste than traditional methods. We expanded our rooftop solar capacity during the year and continue to move our processing towards water-efficient dyeing and low-impact inks, and we continued our corporate social responsibility activity. On people, the next stage of our growth requires more than the small group at the top on which we have long relied. We are identifying the roles a larger business needs and filling them with capable professionals, some of whom have joined in recent months, and giving those below the promoter level the responsibility to lead their functions. This is how a family business becomes an institution.

LOOKING AHEAD

We will not put out aggressive numerical targets. Our industry is competitive and much of our business is business-to-business, so we would rather commit to what we can deliver and then deliver it. Our path is clear: complete the digital printing expansion under way, deepen the value we add in-house, grow our own brands and exports, and extend our reach into parts of Northern India we do not yet serve fully. We have entered FY2027 on a firmer footing, and the early part of the year has tracked better than the year just gone.

I thank our employees, whose work held the Company steady through a hard year, our customers and distributors for their trust, and you, our shareholders, for your confidence. The institution we are building is for the long term, and we are grateful to have you with us on it.

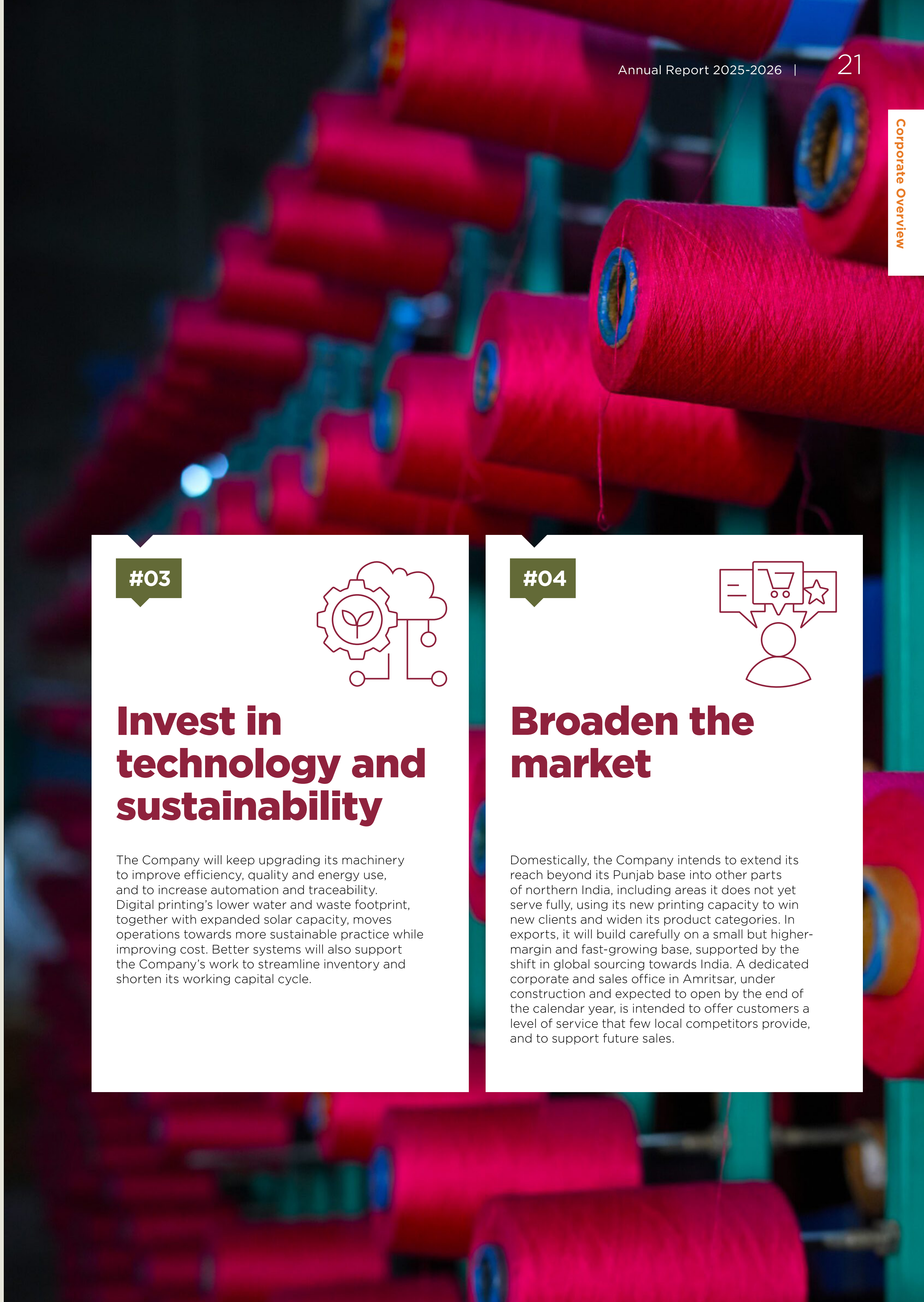
With warm regards,

Sanjeev Kandhari
Chairman and Managing Director

Strategic Way Forward

A Deliberate Path to Growth

Kaytex's strategy is to grow steadily by deepening what it already does well, rather than by chasing scale for its own sake. Four priorities guide the period ahead. The Company is describing them qualitatively, and has chosen not to publish numerical guidance, preferring to build a record of meeting what it sets out to do.



#01

Expand digital printing further

Having taken digital printing capacity to about 142 lakh metres a year, the Company is adding a further digital printing machine at its existing Amritsar unit, expected to be commissioned within a few months of the date of this report. Digital printing is the Company's fastest-growing and highest value-added line, supported by the structural shift from traditional to digital methods. As it grows within the mix, the Company expects it to lift overall profitability, even as it works to hold margins in a more competitive market. The expansion is being carried out within the existing unit, which keeps the incremental cost efficient.

#02

Deepen value addition and product range

The Company will continue to add value-addition capabilities in-house, and to review its product range against changing customer preferences. Enhancing value addition supports both differentiation and margin, and reinforces the single-stop proposition that customers value. There is also scope to add capacity selectively in the jacquard line where demand supports it.

#03

Invest in technology and sustainability

The Company will keep upgrading its machinery to improve efficiency, quality and energy use, and to increase automation and traceability. Digital printing's lower water and waste footprint, together with expanded solar capacity, moves operations towards more sustainable practice while improving cost. Better systems will also support the Company's work to streamline inventory and shorten its working capital cycle.

#04

Broaden the market

Domestically, the Company intends to extend its reach beyond its Punjab base into other parts of northern India, including areas it does not yet serve fully, using its new printing capacity to win new clients and widen its product categories. In exports, it will build carefully on a small but higher-margin and fast-growing base, supported by the shift in global sourcing towards India. A dedicated corporate and sales office in Amritsar, under construction and expected to open by the end of the calendar year, is intended to offer customers a level of service that few local competitors provide, and to support future sales.

Underpinning all four is the continued professionalisation of the organisation, with clearer roles and new talent, so that growth rests on institutional systems rather than individuals. This is the connective thread through the Company's strategy, and the reason the theme of this report is the building of an institution.

Sustainability

Producing More Responsibly

The Company's approach to sustainability follows from the way it manufactures. Digital printing, which is central to its growth, is inherently a more responsible technology, using significantly less water, generating less waste and emitting fewer pollutants than traditional printing. As digital printing grows within the mix, the environmental intensity of the Company's output falls, aligning its commercial and environmental interests.

Energy

The Company has expanded its use of solar power. It operates an owned rooftop solar installation of about 39 KW and a leased rooftop project of about 450 KW across its manufacturing units, and increased its owned capacity during the year.

Water and materials

The printing, dyeing and processing unit uses water-efficient dyeing and low-impact inks, with pre- and post-treatment designed to reduce water use. The Company intends to build out its measurement and reporting of these practices so that progress can be tracked consistently.

People

The Company's workforce is central to its plans to professionalise and grow. Diversity, attrition and training metrics are being established for consistent reporting.

Environmental metrics

FY26

5%

SHARE OF ENERGY FROM RENEWABLE SOURCES

87,90,670

TOTAL POWER CONSUMPTION

Board of Directors and Management

Stewardship and Structure

The Company is led by a Board that combines the founding family's long experience in textile manufacturing with independent expertise in operations and finance. As part of its institution building, the Company is strengthening its governance practices and the professional layer beneath the Board.

BOARD OF DIRECTORS

Sanjeev Kandhari
Chairman and Managing Director

With close to four decades of experience in textile manufacturing, he is responsible for the Company's overall performance, shapes its growth strategy, and guides its key managerial personnel and senior management.

Amit Kandhari
Wholetime Director and Chief Financial Officer

With close to three decades of experience in textile manufacturing, he has served on the Board since the Company's incorporation and oversees finance, production, and compliance, alongside the operations and expansion of the finance division.

Priti Kandhari
Non-Executive Director

With around 15 years of experience in textile manufacturing, she has been associated with the Company since 2009 and joined the Board in 2024. She oversees accounts, finance, procurement, and human resources.

Shelly Kandhari
Non-Executive Director

With around 15 years of experience in textile manufacturing, she has been associated with the Company since 2009 and joined the Board in 2024. She oversees designing, procurement, and administration.

Dinesh Sekhri
Independent Director

A CAIIB-qualified banker with over 39 years of experience in banking and finance, he began his career with Standard Chartered Bank in December 1985 and joined HDFC Bank in December 2000, handling multiple functional areas and concluding his career as State Head, Working Capital for Punjab, Jammu & Kashmir and Himachal Pradesh, before retiring in August 2025.

Rajiv Arora
Independent Director

A practising Chartered Accountant since 1987 under his firm M/s Rajiv Arora & Co., he has around 35 years of experience in bank audits, tax audits, income tax, GST and forensic audits.

KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Rubina Mahajan
Company Secretary and Compliance Officer

A graduate in Arts (Laws) and Laws, and an Associate member of the ICSI. She oversees secretarial, legal, compliance, and investor and stakeholder relations.

Devika Arora
Head of Designing

A graduate in Fashion Design from Pearl Academy, with more than seven years of experience in textile and fashion design. She leads the design team, driving trend-relevant, quality collections tailored to diverse customer preferences.

Sahil Kandhari
Head of Printing

A commerce graduate of the University of Delhi, he has been associated with the Company since 2020, with over six years of experience in textiles and digital printing. He leads Kaytex's digital printing operations, ensuring high-quality output and keeping the Company at the forefront of advances in technology.

SUPPORTED BY

The management team spans design, printing, production, procurement, processing and merchandising. Broadening and deepening this layer is a central part of the Company's institution-building effort.

Niranjan Singh
(Production Manager, with the Company since 1999 and around 25 years of industry experience)

Harsimran Diwan
Head of Procurement

Lalit Kesar
(Processing and Finishing Head)

Kuldeep Singh
(Merchandising Manager)

Ranjit Kumar
(Production Planner, with the Company since 2006),

Corporate Social Responsibility

Support Close to Home

The Company's corporate social responsibility work is concentrated in and around Amritsar, where its units, its people and most of its trade relationships sit. It is directed through established local institutions rather than through structures of the Company's own, so that the contribution reaches the community through people who already know it.

OUR APPROACH

Kaytex directs its CSR spending through registered institutions already working in the areas set out in Schedule VII of the Companies Act, 2013. The Company's preference is to support organisations with a settled presence in Amritsar and a record of delivery, rather than to run programmes itself. This keeps administrative cost low and places funds with those closest to the need. During FY26 the Company supported two such institutions: one working principally in blood availability, health awareness and skills; the other in charitable medical care, welfare relief and animal welfare.

CSR AT A GLANCE

₹30 lakh

CSR EXPENDITURE, FY26

02

IMPLEMENTING AGENCIES SUPPORTED

04

FOCUS AREAS: HEALTHCARE, EDUCATION AND SKILLS, WELFARE, ANIMAL WELFARE

Amritsar, Punjab

WHERE THE SPEND IS DIRECTED

WHERE THE COMPANY CONTRIBUTED

Knowledge Villa Integrated Education & Welfare Society, Amritsar

A registered non-profit working across education, healthcare and community welfare. Its healthcare work centres on voluntary blood donation camps and a charitable blood centre that keeps safe blood and blood components available to patients who need them, supported by awareness programmes on donation, preventive health, hygiene and nutrition. Alongside this, the Society runs vocational training, digital literacy and entrepreneurship programmes for youth and women, together with career counselling and capacity building for students and unemployed young people.

Smt. Bimla Vati Kapoor Charitable Hospital (Regd.), Amritsar

A charitable institution providing affordable medical care to economically weaker households. It offers subsidised consultation, treatment, diagnostics, medicines and surgery, and runs free multi-specialty, eye, dental, blood donation and preventive check-up camps in urban and rural areas, with financial assistance for patients needing life-saving treatment. Its wider welfare work extends to the distribution of food, clothing, medicines, hygiene kits and assistive devices to vulnerable families, senior citizens and persons with disabilities; scholarships, books, uniforms and vocational training for children, women and unemployed youth; and the rescue, treatment, vaccination, sterilisation, shelter and rehabilitation of stray and injured animals, alongside veterinary camps and awareness work. The Hospital delivers these programmes with government authorities, local bodies, educational institutions and other charitable organisations.

WHAT THE WORK COVERS

Healthcare and blood availability

Charitable and subsidised treatment, medical camps, and a blood centre that keeps safe blood and blood components within reach of patients in and around Amritsar.

Education and skills

Vocational training, digital literacy, entrepreneurship and counselling programmes for youth and women, together with scholarships and school materials for children from weaker households.

Welfare and relief

Food, clothing, medicines, hygiene kits and assistive devices for vulnerable families, senior citizens, orphanages, old-age homes and persons with disabilities.

Animal welfare

Rescue, treatment, vaccination, sterilisation, shelter and rehabilitation of stray and injured animals, supported by veterinary camps and awareness work.

THE PERIOD AHEAD

The Company intends to keep its CSR activity focused rather than spread thin, staying with a small number of institutions it knows and building continuity in healthcare, skills and community welfare. Its measurement of reach is at an early stage; as reporting systems mature, the Company expects to record and disclose the number of people served more fully, so that the effect of the spend can be followed from one year to the next.

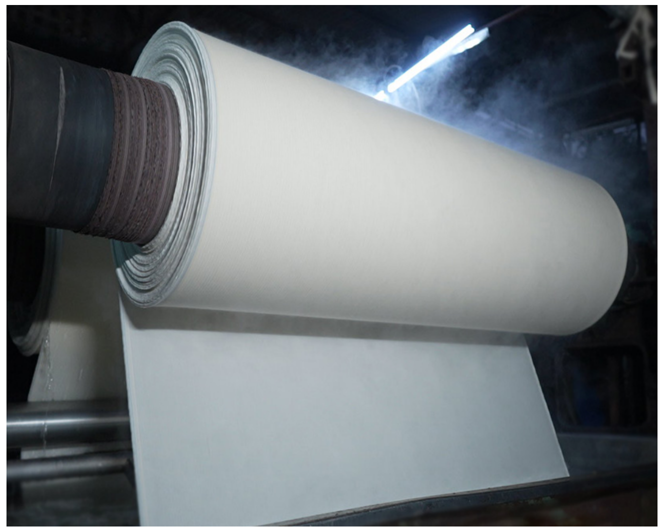
Management Discussion and Analysis

GLOBAL ECONOMY

The global economy slowed during the period under review. The International Monetary Fund projects world output to grow 3.0% in 2026 and 3.4% in 2027, below the average of about 3.5% recorded in 2024 and 2025. Growth remained uneven across regions, with advanced economies expanding modestly and emerging markets in Asia continuing to grow at a faster pace. The most significant development of the year, from the perspective of a manufacturer that buys yarn and greige fabric, was renewed conflict in the Middle East, which disrupted trade routes, weighed on business confidence and pushed up commodity and input prices for a period. Part of this drag was offset by momentum in the global technology cycle and the continued adoption of artificial intelligence, which supported investment in several large economies.

Inflation moderated across most major economies over the year, allowing central banks to begin easing monetary policy, though interest rates and financing costs remained higher than in the years before the recent inflationary cycle. For globally traded goods such as textiles, the combination of softer end demand in developed markets, volatile input costs and a gradual reordering of supply chains defined the operating environment. These conditions had a direct bearing on the Company, both through the sharp movement in raw material prices during the year and through the broader shift in global sourcing towards India, which is discussed below.

Source: International Monetary Fund, World Economic Outlook Update, July 2026.



> The International Monetary Fund projects world output to grow 3.0% in 2026 and 3.4% in 2027, below the average of about 3.5% recorded in 2024 and 2025.

INDIAN ECONOMY

India remained among the fastest-growing major economies during the year. Real gross domestic product is estimated to have grown by about 7.7% in FY26, up from about 7.1% in the previous year, with the manufacturing sector expanding by about 10.7%. Growth was supported by resilient domestic consumption, sustained public investment in infrastructure, a stable financial system and moderating inflation, which together cushioned the economy from a subdued and uncertain external environment.

For a fabric and fashion manufacturer, the more relevant indicators are private consumption and demand in semi-urban and rural markets, both of which held up reasonably well through the year despite localised disruption. Rising household incomes, the steady formalisation of retail, deeper penetration of e-commerce and the pull of fast fashion into smaller towns all support demand for the kind of value-led fabrics and garments the Company makes. While regional disturbances and floods in parts of northern India weighed on local trade for part of the year, the underlying trajectory of domestic consumption remained supportive, and the Company expects this to continue over the medium term.

Source: Ministry of Statistics and Programme Implementation, Provisional Estimates of National Income 2025-26, May 2026.

GLOBAL TEXTILE AND APPAREL INDUSTRY

The global textile and apparel industry is large, mature and closely tied to consumer spending. The global apparel market is estimated at about US$1.47 trillion in 2025 and is expected to reach about US$1.66 trillion by 2030, while the wider textile market is estimated at about US$1.16 trillion in 2025. Growth is shaped by value-conscious consumption in developed markets, the rapid expansion of digital and omni-channel retail, and a rising consumer and regulatory preference for responsible production, including lower water use, reduced waste and greater supply-chain transparency.

Manufacturing remains concentrated in Asia, where competitive costs, an established raw material base and supportive government policy continue to draw global brands and retailers. At the same time, brands are placing greater weight on speed to market, shorter lead times, smaller and more frequent production runs, and the ability to customise, all of which favour manufacturers that can offer integrated capability and flexible, technology-led production. These structural shifts play to the strengths of vertically integrated Indian manufacturers, and to digital printing in particular.

Source: Mordor Intelligence, Apparel Market Size and Share Analysis, 2025; industry estimates.

A SHIFT IN GLOBAL SOURCING TOWARDS INDIA

Global brands and retailers are diversifying their sourcing away from a single country under a China Plus One approach, seeking to reduce concentration risk and build more resilient supply chains. India is a principal beneficiary of this shift. The country offers a large and skilled workforce, an integrated raw material base spanning cotton and man-made fibre, competitive costs, and a widening set of trade agreements that improve access to key export markets. As brands rebalance their sourcing, more orders are moving towards Indian manufacturers, particularly those able to demonstrate scale, quality, compliance and reliable delivery.

For the Company, this shift underpins the opportunity in its small but growing export business, which expanded about 42% during the year and earns higher margins than domestic sales. While the Company remains predominantly a domestic supplier today, the structural reordering of global sourcing represents a durable tailwind that it intends to pursue selectively, building on its integrated model and its digital printing capability from a small base.

> The domestic textile and apparel market is estimated at about US$225 billion in 2025 and is expected to reach about US$350 billion by 2030, growing at roughly 10% to 12% a year

PROSPECTS FOR THE INDIAN TEXTILE INDUSTRY

India is the world's second-largest producer of textiles and garments and among the largest exporters globally, holding a share of about 4.6% of global textile and apparel trade. The industry contributes about 2% of the country's gross domestic product and about 11% of manufacturing gross value added, and employs more than 45 million people directly, making it one of the largest sources of employment in the economy. By 2030, the industry's share of gross domestic product is expected to approach 5%, reflecting both rising domestic consumption and growing exports.

The domestic textile and apparel market is estimated at about US$225 billion in 2025 and is expected to reach about US$350 billion by 2030, growing at roughly 10% to 12% a year, driven by rising incomes, growing e-commerce penetration and changing consumer preferences. On the export side, India's textile and apparel exports remained resilient despite subdued global demand, with ready-made garments the single largest category, followed by cotton textiles and man-made textiles. The combination of a large and growing home market, a competitive export base and the shift in global sourcing towards India provides a favourable medium-term backdrop for organised, integrated manufacturers such as the Company.

Source: India Brand Equity Foundation (IBEF), Indian Textiles and Apparel Industry Analysis, February 2026; Ministry of Textiles, Government of India.

Management Discussion and Analysis (Contd.)

GOVERNMENT INITIATIVES

The Government of India continues to support the sector through a range of measures aimed at building scale, modernising infrastructure and improving export competitiveness. The Production Linked Incentive scheme for textiles, focused on man-made fibre fabric, apparel and technical textiles, had attracted investment of about ₹8,118 crore and created more than 33,400 jobs across some 170 approved companies as at 31 March 2026, encouraging large-scale, capital-efficient manufacturing.

The PM Mega Integrated Textile Regions and Apparel (PM MITRA) parks programme is developing seven integrated textile parks that offer world-class, plug-and-play infrastructure across the value chain, with significant potential for investment and direct and indirect employment at each site. Alongside these, the National Technical Textiles Mission supports research and adoption in specialty fibres and application-led textiles, while a widening network of free trade agreements, including those with the UAE, Australia and the European Free Trade Association, is improving access to major export markets. Together with the broader shift in global sourcing, these measures are expected to aid growth for organised, integrated manufacturers over the medium term.

Source: Ministry of Textiles, Government of India; Press Information Bureau, 2026.

KEY GROWTH DRIVERS: DIGITAL TEXTILE PRINTING

Within the broad textile market, digital textile printing is a small but fast-growing segment, and the one most relevant to the Company. The global digital textile printing market is projected to reach about US$11.6 billion by 2030. India, which accounted for about 8% of the global market in 2024, is the fastest-growing regional market in the Asia Pacific and is projected to approach US$1,134 million by 2030, with growth estimates ranging from about 13% for the global market and around 16% for India.

The shift from traditional printing to digital is structural rather than cyclical. Digital printing allows customisation and on-demand production, which suit fast fashion, shorten lead times and reduce the overstocking associated with long production runs. It uses significantly less water and generates less waste than conventional methods, aligning with the growing preference for responsible production. Continuing advances in printheads, inks and equipment keep improving quality, speed and cost. These drivers, combined with the Company's early and rapid scaling of digital printing capacity, its in-house integration and its design capability, position it to participate in the growth of the segment while managing the competitive pressure that its attractiveness inevitably brings.

Source: Grand View Research, Digital Textile Printing Market Outlook to 2030, 2025.

COMPANY OVERVIEW

Kaytex Fabrics operates as a vertically integrated manufacturer of fabrics and ready-to-stitch fashion, serving apparel brands as a brand enabler, its own-brand consumers, and the non-branded trade. Founded in 1996 and based in Amritsar, Punjab, it manufactures digitally printed, jacquard, corduroy and dobby fabrics, and ready-to-stitch womenswear and accessories. Its competitive position rests on in-house control of the full production chain, a rapidly growing digital printing capability, a portfolio of established own brands led by Rasiya, and a well-spread distribution network with low and declining customer concentration.

FINANCIAL PERFORMANCE

Revenue from operations grew to ₹16,124.12 lakh in FY26, from ₹15,481.15 lakh in FY25 and ₹12,660.31 lakh in FY24. Growth of about 4% over the previous year was below the Company's historical trend of around 25% to 26% a year, reflecting a combination of raw material cost volatility, regional disturbances in Punjab and floods during the second quarter, each of which weighed on trade and consumer activity for part of the year. Over the two years since FY24, revenue has grown by about 27%.

EBITDA was broadly stable at ₹2,999.00 lakh, compared with ₹2,986.23 lakh in FY25, with the EBITDA margin at 18.60%, against 19.29% in the prior year and 17.67% in FY24. Profit after tax rose about 10% to ₹1,742.70 lakh, from ₹1,578.65 lakh, and the PAT margin improved to 10.81%. The Company's margins remain high for the textile industry, a direct result of its vertical integration and the rising share of digital printing and value addition in its output.

The balance sheet strengthened markedly following the public issue. Shareholders' funds rose to ₹11,652.32 lakh, from ₹4,973.78 lakh a year earlier, and the debt-to-equity ratio fell to 0.21 times, from 0.80 times in FY25 and 1.05 times in FY24. This provides the Company with a sound base from which to fund its planned expansion without undue reliance on borrowing, and reflects the disciplined use of the proceeds raised at the time of listing.

₹161.24 crore

REVENUE FROM OPERATIONS

SEGMENT REVIEW

Digital printing has been the principal driver of both growth and margin, supported by the structural market shift towards digital methods, the Company's in-house integration and its design capability. The Company scaled this capability rapidly over recent years and continues to invest in it, while remaining mindful that rising competition in the segment has begun to weigh on per-unit margins.

By channel, own brands led by Rasiya formed the largest part of branded and non-branded product revenue in FY26, with the brand-enabler and non-branded channels providing scale and steady capacity utilisation. Rasiya, the Company's principal brand, recorded the strongest growth in the portfolio during the year, supported by consistent consumer demand in its core Punjab market and the balance of quality, design and price it is able to offer. Kaytex and Darbaar-e-Khaas, both anchored in jacquard products, continued to operate steadily within their established bases.

By geography, domestic sales were ₹15,179.97 lakh and exports ₹944.14 lakh in FY26, taking the export share of revenue to about 5.9%, up from about 4.4% in FY25. Exports, though from a small base, grew about 42% over the year and earn higher margins than domestic sales. The Company intends to keep building this business selectively, supported by the shift in global sourcing towards India, while its primary focus remains the domestic markets of northern India.

COST STRUCTURE AND MARGINS

The Company's largest cost is materials, principally yarn, greige fabric, and chemicals, dyes and inks. During the year, conflict in the Middle East pushed the prices of yarn and greige fabric up sharply for a period, with a meaningful part of the input cost base affected, while ink and other printing inputs remained comparatively stable. The Company limited the impact on volumes by procuring raw material in advance, which provided a cushion through the most volatile months, though the episode weighed on the year as a whole.

Over the medium term, the Company's margins are supported by two structural features. The first is vertical integration: because the Company carries out weaving, dyeing, processing, printing and value addition in-house, it retains value that peers typically share with a chain of outside vendors, and it exercises tighter control over quality, timelines and cost. The second is the rising share of higher value-added digital printing and value-addition processes in the mix. Together these explain why the Company earns high margins, and why profit after tax grew faster than revenue during the year. The Company is conscious that digital printing is attracting more entrants and that margins in that line have come under pressure in recent months, and its focus is to protect margins through the depth of its integration and continued value addition.

WORKING CAPITAL AND CASH FLOW

A significant part of the Company's profit remains invested in working capital, and its cash conversion cycle is long relative to smaller, less integrated peers. Its integrated model, with many stages of production carried out in-house, requires it to hold more inventory than an average manufacturer of its size, both to feed multiple internal processes and to keep stock ready for quick delivery. Part of this intensity is structural to the textile industry, with its longer payment terms, and part is specific to the Company's in-house processes.

The Company regards the streamlining of inventory and related processes as a priority, and expects to make progress as its systems, data collection and reporting mature. At the same time, it recognises that a certain level of inventory is necessary to protect its service levels and its margins, and that it will continue to run a higher working capital intensity than a comparable company that outsources part of its production. The strengthened balance sheet following the public issue provides headroom to manage this while funding growth.

Management Discussion and Analysis (Contd.)

DEPLOYMENT OF PUBLIC ISSUE PROCEEDS

The Company is deploying the net proceeds of its public issue against the objects stated at the time of the offer. Progress to 31 March 2026 is set out below. The advanced fabric processing system has been commissioned and incremental working capital has been drawn, while the dedicated sales office and additional warehouse facility are under construction and are expected to support future growth and customer experience as they come on stream.

Object (₹ lakh)	Planned	Deployed	Status
Advanced fabric processing system	501.00	501.00	Commissioned in May 26
Incremental working capital	3,000.00	3,000.00	Drawn
Dedicated sales office, Amritsar	373.20	99.80	Under construction
Additional warehouse facility, Amritsar	255.55	0.00	Under construction

KEY FINANCIAL RATIOS

Ratio	FY24	FY25	FY26
Operating profit margin	17.67%	19.29%	18.60%
Net profit margin	8.81%	10.20%	10.81%
Debt-to-equity (x)	1.05	0.80	0.21
Return on net worth	37.94%	37.73%	20.96%
Return on capital employed	27%	29%	19%
Current ratio	1.66	1.78	3.36
Inventory turnover (days)	90	86	120
Debtor turnover (days)	78	75	93
Interest coverage (x)	4.85	5.99	7.47

OPPORTUNITIES AND THREATS

The principal opportunities before the Company are the structural growth of digital textile printing, in which it has built early scale; the shift of global sourcing towards India, which supports the growth of its higher-margin export business; the deepening of its own-brand presence, led by Rasiya, in under-served Tier 2, Tier 3 and Tier 4 towns of northern India; and the extension of its reach into adjacent markets such as Chandigarh, Delhi, Haryana and Jammu using its expanded printing capacity. Broader industry tailwinds, including supportive government policy and rising domestic consumption, reinforce these opportunities.

The principal threats are raw material price volatility, which can compress margins at short notice; rising competition in digital printing and the margin pressure that follows; the Company's working capital intensity, which limits free cash generation; and its regional concentration in Punjab, which exposes it to localised disturbances and weather events. The Company seeks to manage these through vertical integration, value addition, advance procurement, a diversified customer base and the gradual broadening of its geographic footprint.

RISKS, CONCERNS AND MITIGATION

Raw Material Price Risk

Yarn and greige fabric prices moved sharply during the year on account of global conflict, affecting a meaningful part of the input cost base. The Company mitigates this through advance procurement, the higher in-house inventory that its integrated model naturally carries, and its ability to retain value across the chain, though volatility remains a risk that cannot be fully eliminated.

Competition and Margin Risk

Digital printing is attracting more entrants, and per-unit margins in the line have come under pressure in recent months. The Company relies on the depth of its integration, its design capability and continued value addition to defend its margins, and is broadening its range of in-house finishes, including aari embroidery, to differentiate its offering.

Working Capital Risk

The in-house model requires higher inventory and a longer cash conversion cycle than average, which constrains free cash flow. The Company is working to streamline inventory and related processes while preserving the service levels and margins that the model supports.

Demand and Macro Risk

Demand can fluctuate with consumer trends and the broader economy. The Company's spread across three routes to market and a wide product range provides some insulation against shifts in any single segment.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains internal control systems appropriate to the size, scale and nature of its business. These cover the accurate recording of transactions, the safeguarding of assets against loss or unauthorised use, adherence to the Company's policies, and compliance with applicable laws and regulations. The systems are reviewed for adequacy and effectiveness on an ongoing basis, and observations are acted upon in a timely manner. As part of its move towards institutional standards following listing, the Company continues to strengthen its processes, controls and management information systems, and is investing in the people and systems needed to support a larger and more complex organisation.

HUMAN RESOURCES

The Company's people are central to its plans to professionalise and grow. A central theme of the year has been the deliberate broadening of the organisation beyond the founding family, with clearer roles, defined functional responsibilities and the recruitment of professional talent to strengthen the layer of management beneath the promoters. This is measured, long-term work, and it underpins the Company's broader institution-building effort.

The permanent workforce as at 31 March 2026 was 630, supported by an in-house design team of 47. The Company maintains cordial relations with its employees and workers, and continues to invest in skills and capability across design, printing, production, processing, procurement and merchandising.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking within the meaning of applicable laws and regulations. These statements are based on assumptions and information available as on the date of this report. Actual results could differ materially from those expressed or implied, on account of factors including raw material prices, demand and supply conditions, changes in government regulations, tax regimes, economic developments within India and abroad, and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward-looking statement on the basis of subsequent developments, information or events.

Our Management and Corporate Information

Chairman and Managing Director
Sanjeev Kandhari

Directors
Amit Kandhari - Whole Time Director & Chief Financial Officer

Shelly Kandhari - Non-Executive Non-Independent Director

Priti Kandhari - Non-Executive Non-Independent Director

Rajiv Arora - Non-Executive Independent Director

Rahul Tandon - Non-Executive Independent Director
(*Ceased w.e.f. May 29, 2026*)

Dinesh Sekhri - Additional Director (Non-Executive, Independent)
(appointed w.e.f May 29, 2026)

Company Secretary & Compliance Officer
Ms. Rubina Mahajan

Statutory Auditor
M/s S G U R & Co.

Chartered Accountants

Secretarial Auditor
CS Aakruti Somani, Practicing Company Secretary (Membership No. 54612 and COP No. 20395)

Internal Auditor
Nimish Nagpal and Company

Committees of the Board and Present Constitution

Audit Committee
Rajiv Arora - Chairman & Member

Rahul Tandon - Member

Amit Kandhari - Member

Dinesh Sekhri - Member

Stakeholders' Relationship Committee
Rahul Tandon - Chairman & Member

Rajiv Arora - Member

Shelly Kandhari - Member

Dinesh Sekhri - Member

Nomination and Remuneration Committee
Rajiv Arora - Chairman & Member

Rahul Tandon - Member

Priti Kandhari - Member

Dinesh Sekhri - Member

Corporate Social Responsibility Committee
Rahul Tandon - Chairman & Member

Amit Kandhari - Member

Sanjeev Kandhari - Member

Dinesh Sekhri - Member

KAYTEX FABRICS LIMITED
CIN: L18101PB1996PLC017639

Registered Office:
Batala Road, Post Office Khanna Nagar,

Amritsar G.P.O.,

Amritsar, Punjab, India, 143001

Email id: cs@kaytexfabrics.com

Website: hps://kaytexfabrics.com/

Registrar & Share Transfer Agent
BIGSHARE SERVICES PRIVATE LIMITED

Office No. S6-2, 6th Floor,

Pinnacle Business Park, next to Ahura Centre,

Mahakali Caves Road, Andheri East,

Mumbai – 400 093, Maharashtra, India

Tel: 022 - 6263 8200

Website: hps://www.bigshareonline.com/

Notice Of 29th Annual General Meeting

Notice is hereby given that the 29th Annual General Meeting (AGM) of the Members of Kaytex Fabrics Limited (formerly known as Kaytex Fabrics Private Limited) will be held on Saturday, August 29, 2026, at 01:30 P.M. (IST) at Batala Road, Post Office Khanna Nagar, Amritsar G.P.O., Amritsar, Punjab, India, 143001 (considered as deemed venue) through Video Conferencing/Other Audio- Visual Means, to transact the following business:

ORDINARY BUSINESS:

Item 01:

To receive, consider and adopt the Audited Financial Statements of the company for the period ended 31st March, 2026 together with the Boards' Report and Auditors' Report thereon.

Item 02:

To appoint a director in place of Mr. Sanjeev Kandhari (DIN: 01412837), who retires by rotation and being eligible, offers himself for re-appointment.

"**RESOLVED THAT** pursuant to the provisions of Sec. 152 of the Companies Act, 2013, Mr. Sanjeev Kandhari (DIN: 01412837), who retires by rotation at this meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as Whole Time Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT any Director of the Company, be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

SPECIAL BUSINESS:

Item 03:

Ratification of remuneration to the Cost Auditor for the financial year 2026-27.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration not more than ₹ 1,00,000/- (Rupees One- Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses, as approved by the Board upon recommendation of the Audit Committee, to be paid to M/s. Meenu & Associates, Cost Accountants, Ludhiana, Punjab (Firm Registration No. M27429), as Cost Auditors of the Company for conducting the cost audit for the financial year 2026-27, be and is hereby ratified, confirmed, and approved."

Item 04:

Regularization of Additional Director, Mr. Dinesh Sekhri (DIN: 11746241) as Non-Executive Independent Director of Company:

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to provision of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013, if any and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable SEBI regulations, Further, upon the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company Mr. Dinesh Sekhri (DIN: 11746241) who was appointed as Non-Executive Independent Director in the additional category w.e.f May 29, 2026 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and from whom the Company has received a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and hereby appointed as an Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for five (5) consecutive years from starting from May 29, 2026 to May 28, 2031.

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

Item 05:

Approval for Related Party Transactions

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

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/arrangement(s)/transaction(s) with related parties within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations as specified in the explanatory statement, for the purpose as defined in the explanatory statement, on such terms and conditions as the Board of Directors (including its committees) may deem fit, up to a maximum aggregate value of defined in the explanatory statement, provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

By Order of the Board
For **Kaytex Fabrics Limited**

Sd/-
Rubina Mahajan
Company Secretary & Compliance Officer
Membership No. A56080

Date: August 04, 2026
Place: Amritsar

Registered Office:
Batala Road, Post Office Khanna Nagar,
Amritsar G.P.O., Amritsar,
Punjab, India, 143001
Email: cs@kaytexfabrics.com
Website: https://kaytexfabrics.com/

Notes:

1. The statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business to be transacted at the meeting is attached. The relevant details pursuant to regulations 26(4) and 36(3) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and secretarial standard on general meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this annual general meeting are also annexed.

2. In compliance with the provisions of the Act, SEBI Listing Regulations and Secretarial Standards on General Meeting and MCA Circulars, the 29th Annual General Meeting of the Company is being held through VC/OAVM on Saturday, August 29, 2026, at 01:30 P.M. The proceedings of the AGM are deemed to be conducted at the Registered Office of the Company situated at: Batala Road, Post Office Khanna Nagar, Amritsar G.P.O., Amritsar, Amritsar, Punjab, India, 143001.

3. Ministry of Corporate Affairs ("MCA") vide its General Circulars Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, ('MCA Circulars') has permitted the holding of the annual general meeting through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

5. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting to the Bigshare Services Private Limited, the Registrar and Transfer Agent, by email through its registered email address to: investor@bigshareonline.com

6. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

   Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement Central Depository Services (India) Limited for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by Central Depository Services (India) Limited.

   Notice of AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those members whose email addresses are registered with Company, its Registrar and Transfer Agent or CDSL/NSDL ("Depositories").

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://kaytexfabrics.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. NSE Limited at https://www.nseindia.com/ and the AGM Notice is also available on the website of Central Depository Services (India) Limited (agency for providing the Remote e-Voting facility) i.e. https://www.cdslindia.com/.

9. For members who have not registered their email address and holding shares in physical mode, can get their email id registered in the system by writing to cs@kaytexfabrics.com along with scanned signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any officially valid document (OVD) (e.g.: Driving License, Election Identity Card, Passport, Aadhar)

in support of the address of the Member. Members holding shares in dematerialized mode are requested to register/update their email addresses with the relevant Depository Participants.

10. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.

11. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA circular issued by MCA, Circular no. 02/2021 dated 13 January 2021 MCA Circular 02/2022 dated 5th May 2022, further latest circular no 10/2022 dated 28.12.2022 and September 25, 2023.

12. The members are requested to send all their communications to the Registrar & Share Transfer Agent Bigshare Services Private Limited at Office No. S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400 093, Maharashtra, India.

13. Brief resumes of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Annual Report and also enclosed with this notice.

14. The members are requested to intimate any change in their address with pin code, if any, immediately and quote folio number in all correspondence. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, permanent account number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, to their DPs in the case the shares are held in electronic mode and to the company registrar and transfer agents, in the case the shares are held by them in physical form.

15. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

16. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH 13 in duplicate, duly filled in, to the RTA at the address mentioned in the Notes. The prescribed form in this regard may also be obtained from the RTA at the address mentioned in the Notes. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Company or RTA.

18. In terms of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above, members are advised to dematerialize shares held by them in physical form.

19. For any communication, the shareholders may also send requests to the Company's investor email id: cs@kaytexfabrics.com

20. The Board of Directors has appointed Ms. Aakruti Somani, Practicing Company Secretaries (ACS.54612 and COP No. 20395) failing her Mr. Jayesh Choubisa, as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

21. Pursuant to Section 91 of the Act, Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 21, 2026 to Saturday, August 29, 2026 (both days inclusive).

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited

(CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://kaytexfabrics.com/. The Notice can also be accessed from the website of the National Stock Exchange of India Limited at https://www.nseindia.com/. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. In continuation to this **Ministry's General Circular No. 20/2020** dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on Wednesday, August 26, 2026 at 09.00 am and ends on Friday, August 28, 2026 at 05:00 pm During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e Friday, August 21, 2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI **Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below: (contd.)

Type of shareholders	Login Method
	4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form:**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID:

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Kaytex Fabrics Limited> on which you choose to vote.

(x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@kaytexfabrics.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/ folio number, email id, cs@kaytexfabrics.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP).**

3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

By Order of the Board
For **Kaytex Fabrics Limited**

Sd/-
Rubina Mahajan
Company Secretary & Compliance Officer
Membership No. A56080

Date: August 04, 2026
Place: Amritsar

Registered Office:
Batala Road, Post Office Khanna Nagar,
Amritsar G.P.O., Amritsar,
Punjab, India, 143001
Email: cs@kaytexfabrics.com
Website: https://kaytexfabrics.com/

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

Item 03:

Ratification of Remuneration of the Cost Auditor for the Financial Year 2025 26:

The Board of Directors, at its meeting held on August 01, 2025 upon the recommendation of the Audit Committee, approved the appointment of M/s. Meenu & Associates, Cost Accountants, Ludhiana, Punjab (Firm Registration No. M27429), to conduct the audit of the cost records of the Company on a consolidated remuneration not more than ₹ 1,00,000/- (Rupees One Lakh only) (excluding all applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the audit) for the financial year ending March 31, 2027.

In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), the remuneration as mentioned above, payable to the Cost Auditor, is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2027, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

The Board recommends the Ordinary Resolution as set out in Item No. 3 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 3 of this Notice.

Item 04:

Regularization of Additional Director, Mr. Dinesh Sekhri (DIN: 11746241) as Non-Executive Independent Director of Company:

The Board of Directors vide their resolution passed on May 29, 2026 appointed Mr. Dinesh Sekhri (DIN: 11746241) as an Additional Director of the Company in the category of Independent Director subject to the approval of members at the Annual General Meeting of the Company.

The Appointment of Mr. Dinesh Sekhri (DIN: 11746241) as an Independent Director of the Company for the five (5) consecutive years from May 29, 2026 is proposed for approval of member at this Annual General Meeting. The term of Mr. Dinesh Sekhri (DIN: 11746241) shall not be liable to retirement by rotation.

Mr. Dinesh Sekhri holds a Bachelor of Commerce degree, a Diploma in Business Management, and is a CAIIB qualified professional. He possesses over 39 years of rich experience in banking and finance, having started his career with Standard Chartered Bank in December 1985 and later joining HDFC Bank in December 2000. During his distinguished banking journey, he handled multiple functional areas and concluded his career as State Head – Working Capital, overseeing Punjab, Jammu & Kashmir, and Himachal Pradesh, before retiring in August 2025.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 4 of this Notice.

Item 05:

To ensure stability of supplies in terms of quality and project related assignments, your Company proposes to enter into transaction(s) with following parties related parties. The description of the transaction and proposed value.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with the Company are as follows:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Radha Krishna Trading Co., Firm in which Directors/KMP are interested.	Sale/supply of goods/ materials	18 months (Starting from 01st October 2026 to 31st March 2028)	3,500.00 lakh	August 4, 2026	N.A

The Board recommends the Ordinary Resolution as set out in Item No. 5 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 5 of this Notice.

By Order of the Board
For **Kaytex Fabrics Limited**

Sd/-
Rubina Mahajan
Company Secretary & Compliance Officer
Membership No. A56080

Date: August 04, 2026
Place: Amritsar

Registered Office:
Batala Road, Post Office Khanna Nagar,
Amritsar G.P.O., Amritsar,
Punjab, India, 143001
Email: cs@kaytexfabrics.com
Website: https://kaytexfabrics.com/

Annexure A

Details of Directors Retiring by rotation/seeking appointment/Re-appointment at the 29th AGM of the Company [Pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings]

Name & DIN	Dinesh Sekhri (DIN: 11746241)	Sanjeev Kandhari (DIN: 01412837)
Date of Birth	August 08, 1965	December 06, 1972
Qualification	Bachelors' degree in Commerce	Bachelors' degree in Commerce
Date of first appointment at the Board	29/05/2026	29/01/1996
Category of Directorship	Non - Executive Independent Director	Chairman and Managing Director
Experience	Mr. Dinesh Sekhri holds a Bachelor of Commerce degree, a Diploma in Business Management, and is a CAIIB qualified professional. He possesses over 39 years of rich experience in banking and finance, having started his career with Standard Chartered Bank in December 1985 and later joining HDFC Bank in December 2000. During his distinguished banking journey, he handled multiple functional areas and concluded his career as State Head – Working Capital, overseeing Punjab, Jammu & Kashmir, and Himachal Pradesh, before retiring in August 2025.	Sanjeev Kandhari is the Chairman and Managing Director on the Board of our Company. He has completed his preuniversity examinations (commerce group) from Guru Nanak Dev University, Amritsar. He has been on the Board of our Company since incorporation. He has approximately thirty years of experience in textile manufacturing industry. He is responsible for supervision of overall performance of our Company. He contributes in formulating strategies for the growth of our Company and provides guidance and direction to our Key Managerial Personnel and members of Senior Management.
Terms and conditions of Appointment	As per terms approved by shareholders.	As per terms earlier approved by shareholders, including eligibility for reappointment by rotation.
Remuneration sought to be paid	Eligible for sitting fees and Commission, if any, as approved.	As per terms recommended by NRC and approved by Board.
Remuneration last drawn	N.A	₹ 60.00 Lakhs
No. of shares held in Kaytex	Nil	54,76,775 Equity Shares
Relationship with other Directors and KMP	None	Sanjeev Kandhari is the Brother of Amit Kandhari and Shelly Kandhari is the wife of Sanjeev Kandhari.
Number of meetings Of the Board attended during the FY 2025-26	None	13
Directorships Held in Other Companies, including Listed Entities	NIL	1. Kandhari Textile Mills Private Limited 2. Sai Lakshay Prints Private Limited** 3. AKA Propbuild LLP
Members/Chairmanship of Committees of other Companies*	NIL	NIL

*Membership of Listed Audit Committee and Stakeholder's Relationship Committee have only been taken into consideration.

**Sai Lakshay Prints Private Limited is in the process of Liquidation.

Board Report

To
The Members of
Kaytex Fabrics Limited
(Formerly known as "Kaytex Fabrics Private Limited")

Dear Members,

Your Director's have pleasure in presenting Annual Report of the Company, together with the audited Financial Statements for the financial year ended 31st March, 2026.

1. FINANCIAL RESULTS

The financial highlights for the year under review are as follows:

(₹ in lakhs)

Particulars	FY 2025-26	FY 2024-25
Revenue (including Other Income)	16,283.46	15,523.93
Net Profit/(Loss) Before Depreciation, Interest and Tax	**3,128.34**	**3,037.02**
Less: Depreciation	495.68	422.55
Less: Interest	356.35	423.23
Profit/(Loss) from Associated Enterprises	0	0
Net Profit/(Loss) Before Tax	**2,306.31**	**2,191.24**
Less: Tax Expenses		
(-) Current Tax	606.02	583.89
(-) Deferred Tax	- 54.90	-9.32
(-) Prior Period Taxes	12.49	18.32
Profit/(Loss) After Tax	**1,742.70**	**1,616.67**
Basic and Diluted EPS	12.79	14.06

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the financial year, the Company has earned a total income of ₹ 16283.46 lakhs as compared to previous year's income of ₹ 15523.93 lakhs. The Company incurred a profit of ₹ 1,742.70 lakhs as against profit of ₹ 1616.67 lakhs in the previous year.

3. TRANSFER TO RESERVES

The Company has transferred ₹ 1,742.70 lakhs to the Reserves and the closing balance of the Reserves and Surplus stands at ₹ 10,182.40 Lakhs.

4. CHANGE IN NATURE OF BUSINESS

There was no Change in the nature of Business during the FY 2025-26.

5. DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's future plans and expansion has decided that it would be prudent, not to recommend any Dividend for the year under review.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

7. INFORMATION ABOUT SUBSIDIARY/ JV/ASSOCIATE COMPANY

During the financial year under review, the Company does not have any Subsidiary, Joint Venture, or Associate Company as defined under the Companies Act, 2013. Accordingly, the disclosure requirements in this regard are not applicable.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

There have been no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year for the Company i.e., March 31, 2026, and the date of this Board Report.

9. PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

10. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2026 can be accessed at https://kaytexfabrics.com/.

11. CHANGES IN SHARE CAPITAL

The Authorized Share Capital of the Company as at March 31, 2026, stood at **₹ 18,00,00,000 (Rupees Eighteen Crore only)** divided into **1,80,00,000 Equity Shares of ₹ 10/- each**. During the financial year under review, there was **no change** in the Authorised Share Capital of the Company.

The issued, subscribed and paid-up Equity Share Capital of the Company as at **March 31, 2025**, was **₹ 14,69,92,000 (Rupees Fourteen Crore Sixty-Nine Lakh Ninety-Two Thousand only)** divided into **1,46,99,200 Equity Shares of ₹ 10/- each**.

During the financial year under review, the Company successfully completed its Initial Public Offer **("IPO")**, comprising a **Fresh Issue** and an **Offer for Sale ("OFS")** by the Selling Shareholders. The IPO remained open for subscription from **July 29, 2025 to July 31, 2025** and was undertaken in accordance with **Regulation 229(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**, as amended.

The IPO comprised **38,78,400 Equity Shares** of face value **₹ 10/- each** at an issue price of **₹ 180/- per Equity Share** (including a securities premium of **₹ 170/- per Equity Share)**, aggregating to **₹ 6,981.12 Lakhs**, consisting of:

- **Fresh Issue: 31,99,200 Equity Shares** aggregating to **₹ 5,758.56 Lakhs** by the Company; and
- **Offer for Sale: 6,79,200 Equity Shares** aggregating to **₹ 1,222.56 Lakhs** by the Selling Shareholders.

Pursuant to the successful completion of the IPO, the Equity Shares of the Company were **listed and admitted to trading on the NSE EMERGE Platform of the National Stock Exchange of India Limited with effect from August 05, 2025**.

Consequently, the issued, subscribed and paid-up Equity Share Capital of the Company increased to **₹ 17,89,84,000 (Rupees Seventeen Crore Eighty-Nine Lakh Eighty-Four Thousand only)** divided into **1,78,98,400 Equity Shares of ₹ 10/- each as on March 31, 2026**.

12. DIRECTORS & KMP

A. Details of Directors and Key Managerial Personnel appointed/resigned during the year:

During the financial year under review, **there was no appointment, resignation, retirement, removal or change** in the composition of the Board of Directors or the Key Managerial Personnel of the Company. Accordingly, the composition of the Board of Directors and the Key Managerial Personnel remained unchanged throughout the financial year.

B. Director retires by rotation:

In accordance with the provisions of Sub-Section (6) of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sanjeev Kandhari is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Your directors recommend re-appointment of Mr. Sanjeev Kandhari as a Chairman and Managing Director of the Company, liable to retire by rotation.

C. Current structure of Directors and Key Managerial Personnel:

The composition of Board of Directors and Key Managerial Personnel (KMP) of the Company as on March 31, 2026 were as follows:

Sr. No.	Name of Director	Designation
1.	Sanjeev Kandhari	Chairman and Managing Director
2.	Amit Kandhari	Whole Time Director and Chief Financial Officer
3.	Shelly Kandhari	Non-Executive Director
4.	Priti Kandhari	Non-Executive Director
5.	Rahul Tandon	Non-Executive Independent Director
6.	Rajiv Arora	Non-Executive Independent Director
7.	Rubina Mahajan	Company Secretary and Compliance Officer

The composition of Board of Directors and Key Managerial Personnel (KMP) of the Company as on date of this report were as follows:

Sr. No.	Name of Director	Designation
1.	Sanjeev Kandhari	Chairman and Managing Director
2.	Amit Kandhari	Whole Time Director and Chief Financial Officer
3.	Shelly Kandhari	Non-Executive Director
4.	Priti Kandhari	Non-Executive Director
5.	Dinesh Sekhri	Additional Director (Non-Executive Independent Director)
6.	Rajiv Arora	Non-Executive Independent Director
7.	Rubina Mahajan	Company Secretary and Compliance Officer

D. Changes in Directors after the Closure of the Financial Year:

Subsequent to the close of the financial year, **Mr. Rahul Tandon**, Non-Executive Independent Director of the Company, resigned from the office of Director with effect from **May 29, 2026**, due to his pre-occupation with other professional assignments and his inability to devote sufficient time to the affairs and meetings of the Company. He further confirmed that there were no material reasons for his resignation other than those stated above. The Board places on record its sincere appreciation for his valuable guidance and contribution during his tenure.

Consequent thereto, **Mr. Dinesh Sekhri** was appointed as an **Additional Director (Non-Executive, Independent)** of the Company with effect from **May 29, 2026**, subject to the approval of the shareholders, wherever applicable.

13. MEETINGS OF THE BOARD

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review the board met 13 (Thirteen) times on the following dates: Tuesday, 15 April, 2025, Saturday, 26 April, 2025, Tuesday, 3 June, 2025, Tuesday, 24 June, 2025, Saturday, 5 July, 2025, Monday, 21 July, 2025, Friday, 1 August, 2025, Monday, 1 September, 2025, Saturday, 27 September, 2025, Wednesday, 1 October, 2025, Friday, 14 November, 2025, Saturday, 20 December, 2025 and Friday, 13 February, 2026.

The details of attendance of the Director at the meetings held during the year under review is stated herewith:

Date of Board Meeting	Sanjeev Kandhari	Amit Kandhari	Priti Kandhari	Shelly Kandhari	Rahul Tandon	Rajiv Arora
Tuesday, 15 April, 2025	Present	Present	Present	Absent	Present	Present
Saturday, 26 April, 2025	Present	Present	Absent	Present	Absent	Absent
Tuesday, 3 June, 2025	Present	Present	Present	Absent	Present	Present
Tuesday, 24 June, 2025	Present	Present	Absent	Present	Present	Present
Saturday, 5 July, 2025	Present	Present	Present	Absent	Absent	Present
Monday, 21 July, 2025	Present	Present	Absent	Present	Present	Absent
Friday, 1 August, 2025	Present	Present	Present	Present	Present	Present
Monday, 1 September, 2025	Present	Present	Present	Present	Present	Present
Saturday, 27 September, 2025	Present	Present	Absent	Present	Present	Present
Wednesday, 1 October, 2025	Present	Present	Present	Absent	Absent	Absent
Friday, 14 November, 2025	Present	Present	Present	Present	Present	Present
Saturday, 20 December, 2025	Present	Present	Present	Present	Present	Present
Friday, 13 February, 2026	Present	Present	Present	Present	Present	Present
Total	**13**	**13**	**9**	**9**	**10**	**10**

14. BOARD COMMITTEE

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and require closer review. The Board Committees are formed with the approval of the Board, and they function under their respective Charters. These Committees play an important role in the overall management of the day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform the duties entrusted to them by the Board. The minutes of the Committee meetings are presented to the Board for review.

Your Company has in place, all the Committee(s) as mandated under the provisions of the Act and Listing Regulations. Currently, there are four Committees of the Board, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee

which has been established as a part of the better Corporate Governance practices and is in compliance with the requirements of the relevant provisions of applicable laws and statutes.

I. Audit Committee:

The Board at its meeting held on January 03, 2025, constituted the Audit Committee ("AC"). The composition of the Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. The charter of the Committee is in conformity with the Act and the Listing Regulations.

The Committee is constituted in line with the requirements mandated by the Act and of the Listing Regulations.

During the financial year 2025-26, the Committee met 7 (Seven) times on Tuesday, 15 April, 2025, Tuesday, 3 June, 2025, Tuesday, 24 June, 2025, Monday, 1 September, 2025, Saturday, 27 September, 2025, Friday, 14 November, 2025 and Friday, 13 February, 2026 and the maximum interval between any two meetings did not exceed 120 days.

The composition of Audit Committee as on 31st March, 2026:

Sr. No.	Name of Committee members	Position in Committee	Designation in Board
1.	Rajiv Arora	Chairman & Member	Non-Executive Independent Director
2.	Rahul Tandon	Member	Non-Executive Independent Director
3.	Amit Kandhari	Member	Whole Time Director and Chief Financial Officer

The details of attendance of the Director in the Audit Committee meetings held during the year under review is stated herewith:

Dates of Meetings	Rajiv Arora	Rahul Tandon	Amit Kandhari
Tuesday, 15 April, 2025	Present	Present	Present
Tuesday, 3 June, 2025	Present	Present	Present
Tuesday, 24 June, 2025	Present	Present	Present
Monday, 1 September, 2025	Present	Present	Present
Saturday, 27 September, 2025	Present	Present	Present
Friday, 14 November, 2025	Present	Present	Present
Friday, 13 February, 2026	Present	Present	Present

II. Nomination & Remuneration Committee:

The Board at its meeting held on January 03, 2025, constituted the Nomination & Remuneration Committee ("NRC"). The Committee is constituted in line with the requirements mandated by the Act and of the Listing Regulations.

During the financial year 2025-26, the Committee met 1 (One) time on Friday, 13 February, 2026.

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

Sr. No.	Name of Committee members	Position in Committee	Designation in Board
1.	Rajiv Arora	Chairman & Member	Non-Executive Independent Director
2.	Rahul Tandon	Member	Non-Executive Independent Director
3.	Priti Kandhari	Member	Non-Executive Director

The details of attendance of the Director in the Nomination and Remuneration Committee meetings held during the year under review is stated herewith:

Dates of Meetings	Rajiv Arora	Rahul Tandon	Priti Kandhari
Friday, 13 February, 2026	Present	Present	Present

III. Stakeholder Relationship Committee:

The Board at its meeting held on January 03, 2025, constituted the Stakeholders' Relationship Committee ("SRC"). Stakeholders' Relationship Committee of the Company was constituted by the Board in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations, to look into the redressal of shareholders'/investors' complaints, such as transfer of securities, non-receipt of dividend, notice, annual reports and all other securities holder related matters.

The Stakeholder Relationship Committee is constituted in line with the requirements mandated by the Act and of the Listing Regulations.

During the financial year 2025-26, the Committee met 1 (One) time on Monday, 1 September, 2025.

The Stakeholder Relationship Committee comprises of the following as on 31st March, 2026:

Sr. No.	Name of Committee members	Position in Committee	Designation in Board
1.	Rahul Tandon	Chairman & Member	Non-Executive Independent Director
2.	Rajiv Arora	Member	Non-Executive Independent Director
3.	Shelly Kandhari	Member	Non-Executive Director

The details of attendance of the Director in the Stakeholder Relationship Committee meetings held during the year under review is stated herewith:

Dates of Meetings	Rajiv Arora	Rahul Tandon	Shelly Kandhari
Monday, 1 September, 2025	Present	Present	Present

IV. Corporate Social Responsibility Committee:

The Board at its meeting held on January 03, 2025 re-constituted the Corporate Social Responsibility Committee ("CSR") under the provisions of section 135 of the Companies Act, 2013. During the year under review, the amount as Corporate Social Responsibility as per Section 135 of Companies Act, 2013.

During the financial year 2025-26, the Committee met 2(Two) times on Thursday, 26 June, 2025 and Friday, 13 February, 2026.

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

Sr. No.	Name of Committee members	Position in Committee	Designation in Board
1.	Rahul Tandon	Chairman & Member	Non-Executive Independent Director
2.	Amit Kandhari	Member	Whole Time Director and Chief Financial Officer
3.	Sanjeev Kandhari	Member	Managing Director & Chairman

The details of attendance of the Director in the Corporate Social Responsibility Committee meetings held during the year under review is stated herewith:

Dates of Meetings	Rajiv Arora	Rahul Tandon	Amit Kandhari
Thursday, 26 June, 2025	Present	Present	Present
Friday, 13 February, 2026	Present	Present	Present

15. DECLARATION OF INDEPENDENT DIRECTOR

i. The Company has received necessary declarations from all the Independent Directors on the Board of the Company confirming that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 and the Rules made there under and Regulation 16(1)(b) and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

ii. Further, the Independent Directors have also submitted a declaration in compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, which mandated the inclusion of an Independent Director's name in the data bank of persons offering to become Independent Directors, of Indian Institute of Corporate Affairs ("IICA") for a period of one year or five years or life time till they continue to hold the office of an Independent Director and also completed the online proficiency test, conducted by Indian Institute of Corporate Affairs, wherever applicable.

iii. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirmed that the Independent Directors fulfill the conditions of independence specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, as amended and are independent from the management of the Company.

iv. In the opinion of the Board, all the Independent Director are persons possessing attributes of integrity, expertise and experience (including proficiency) as required under the applicable laws, rules and regulations.

v. The terms and conditions of the said appointment are hosted on website of the Company https://kaytexfabrics.com/investor-relations/

16. ANNUAL PERFORMANCE EVALUATION

i. Pursuant to the provisions of the Companies Act, 2013, a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria. The Board has carried out an evaluation of its own performance, the directors individually as well as (including chairman) the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee of the Company.

ii. The Board has devised questionnaire to evaluate the performances of each of Executive, Non-Executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

   a. Attendance at the Board Meetings and Committee Meetings;

   b. Quality of contribution to Board deliberations;

   c. Strategic perspectives or inputs regarding future growth of Company and its performance;

   d. Providing perspectives and feedback going beyond information provided by the management.

17. SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under Schedule IV of the Companies, Act, 2013, a separate meeting of the Independent Directors of the Company was held to review the performance of Non-Independent Directors, the Board as whole, including the Chairman of the Company and to discuss the matters related to the quality, quantity and timeliness of flow of information between the Company management and the Board.

18. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and applicable provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a performance evaluation of the individual Directors as well as evaluation of the Board as a whole and its committees has been carried out.

Further, in terms of Para VII of Schedule IV of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company to evaluate the performance of:

- The Chairman of the Company and performance of Non-Independent Directors and the Board as a whole.

- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further, the Nomination and Remuneration Committee also evaluated the performance of the Board of Directors of the Company.

The following metrics were considered for evaluation:

a) Generic parameters

b) Roles and responsibilities to be fulfilled

c) Participation in Board Processes

d) Governance

e) Strategy

f) Effective Communication

g) Stakeholder focus

h) Risk Awareness

i) The results of evaluation of performance of the Board, it's Committees and of individual Directors was found to be satisfactory.

19. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Pursuant to the provisions of Section 135 of the Act and the Rules made there under, the Company had duly constituted the Corporate Social Responsibility Committee (CSR Committee) in the Company. As part of its initiatives under CSR, the Company has identified various projects. These projects are in accordance with Schedule VII to the Act.

The details as per the provisions are annexed herewith as **"Annexure-I"**.

20. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

a) In the preparation of annual accounts, the applicable accounting standards have been followed and that there are no material departures;

b) They have selected such accounting policies and applied them consistently and made judgements 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 profits of the Company for that period;

c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) They have prepared the annual accounts on a going concern basis;

e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate; and

f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that these systems are adequate and operating effectively.

21. NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel, including criteria for determining qualifications, positive attributes and Independence of Directors. The said policy is available on the Company's Website.

Website Link: https://kaytexfabrics.com/.

22. VIGIL MECHANISM/WHISTLE BLOWER POLICY

In accordance with Section 177 of the Companies Act, 2013, the Company has adopted a Vigil mechanism/ Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

The Company had established a mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our Code of Conduct and Ethics. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases.

We affirm that during the financial year 2025-26, no employee or director was denied access to the Audit Committee.

The Vigil mechanism/Whistle Blower Policy is available on the website of the Company at https://kaytexfabrics.com/

23. RISK MANAGEMENT POLICY

The Company has laid down a well-defined Risk Management Policy to identify the risk, analyse and to undertake risk mitigation actions. The Board of Directors regularly undertakes the detailed exercise for identification and steps to control them through a well-defined procedure. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through properly defined framework.

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

25. STATUTORY AUDITORS

M/s. S G U R & Co, Chartered Accountants, Amritsar (Firm Registration No. 005429N), is the Statutory Auditors of the Company. The Statutory Auditor has been appointed at the Annual General Meeting held on September 30, 2024 for 5 consecutive years starting from financial year 2024-25 to 2028-29.

The Board of Directors recommends their continuation on the basis of satisfactory performance by them during the year under review.

26. AUDITORS' REPORT

The Auditors' Report to the members on the Accounts of the Company for the financial year ended March 31, 2026 does not contain any qualification and is self-explanatory.

27. REPORTING OF FRAUD BY AUDITORS

There is no qualification, reservation, adverse remark or disclaimer given by the Auditor in their Report.

28. INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Board of Directors, at its meeting held on **Friday, November 14, 2025**, appointed **M/s Nimish Nagpal & Company as the Internal Auditor of the Company for the financial year 2025-26**.

The Internal Audit Report for the financial year 2025-26 has been issued by the Internal Auditor and the same has been duly reviewed by the Company.

29. SECRETARIAL AUDIT

The Board of Directors had appointed **CS Aakruti Somani, Practicing Company Secretary (Membership No. 54612 and COP No. 20395), as the Secretarial Auditor of the Company for a term of five consecutive financial years up to the financial year 2029-30**, and the said appointment was duly approved by the Members of the Company at the **Annual General Meeting held on Monday, September 29, 2025**, in accordance with the applicable provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder.

The Secretarial Audit Report for the financial year ended **March 31, 2026**, issued in **Form MR-3**, is annexed hereto as **Annexure II** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

30. COST AUDITOR

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records in respect of its manufacturing activities, and such records are duly maintained.

For the financial year 2025–26, M/s. Meenu & Associates, Cost Accountants, Ludhiana (Firm Registration No. 100729), carried out the audit of the cost records maintained by the Company for applicable businesses. The Company has received a certificate from the said firm confirming their eligibility under Section 141 read with Section 148(3) of the Act and Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014, for appointment as Cost Auditors.

Based on the recommendation of the Audit Committee, the Board of Directors has re-appointed M/s. Meenu & Associates, Cost Accountants, Ludhiana (Firm Registration No. 100729), as the Cost Auditors of the Company for the financial year 2026–27. The remuneration payable to the Cost Auditors is subject to ratification by the Members at the ensuing Annual General Meeting ("AGM"), as required under Section 148(3) of the Act. Accordingly, a resolution seeking Members' ratification for the remuneration payable to the Cost Auditors is included in Item No. 3 of the Notice convening the AGM. The details of the Cost Auditors and cost audit conducted by them for financial year 2025–26 are furnished in Explanatory statement.

31. DISCLOSURE ON MAINTENANCE OF COST RECORDS

The Cost records are maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods by the Company.

32. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no loans granted, guarantees given and investments made by the Company under Section 186 of the Companies Act, 2013 read with rules framed thereunder.

33. PARTICULARS OF LOANS AVAILED FROM DIRECTORS OR THEIR RELATIVES

Pursuant to Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company has availed loans amounting to ₹ 471.69 lakhs from its Directors and/or their relatives. These loans have been accepted in compliance with the applicable provisions of the Companies Act, 2013 and do not fall within the ambit of deposits as per the said Rules

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

As Company has not done any one-time settlement during the year under review hence no disclosure is required.

35. RELATED PARTY TRANSACTION

In line with the requirements of the Act and SEBI Listing Regulations, the Company has formulated a Policy on of Related Party Transactions which is also available on the Company's website at https://kaytexfabrics.com/. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. All related party transactions are placed before the Audit Committee for review and approval.

Pursuant to the provisions of the Act and SEBI Listing Regulations with respect to omnibus approval, prior omnibus approval is obtained for related party transactions on a yearly basis for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length. Transactions entered into pursuant to omnibus approval are verified by the Finance Department and a statement giving details of all related party transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

All transactions entered with related parties for the year under review were in ordinary course of business and at arm's length basis except the Material related party transactions, i.e. transactions exceeding 10% of the annual turnover as per the last audited financial statement, were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in **Form AOC-2**, annexed as **Annexure-III**. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large. All related party transactions are mentioned in the notes to the accounts. The Directors draw attention of the members to Note No. 32 to the standalone financial statements which sets out related party disclosure.

Pursuant to the provisions of Regulation 34(3) and 53(f) read with clause 2 of Part A of Schedule V of the SEBI Listing Regulations is not applicable and during the year under review, no person(s) or entity(ies) belonging to the promoter/promoter group which held 10% or more share in the paid-up equity share capital of the Company.

36. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, details regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo for the year under review are as follows:

A. Conservation of Energy:

a. Steps taken or impact on conservation of energy – The Company remains committed to environmental responsibility and efficient use of energy across all its existing Factories.

b. Steps taken by the Company for utilizing alternate sources of energy – There were no notable developments during the year in relation to the use of alternative sources of energy

c. The capital investment on energy conservation equipment – Not separately quantified. However, investments were made in energy-efficient infrastructure and operational improvements.

B. Technology Absorption:

a. The efforts made towards technology absorption – None as not immediately required.

b. The benefits derived like product improvement, cost reduction, product development or import substitution – Not Applicable

c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

   1) The details of technology imported - Digital Textile Printing Machine with Standard Accessories with 64 Printheads & Centering System & Dryer HM2700B-TK64-A1

   2) The year of import – 2024

   3) Whether the technology been fully absorbed: Yes

   4) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Under implementation process.

   5) the expenditure incurred on Research and Development: No

C. Foreign exchange earnings and Outgo:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Foreign Exchange Earnings	₹ 944.15 lakhs	₹ 664.82 lakhs
Foreign Exchange Outgo (CIF Basis)	₹ 143.12 lakhs	₹ 351.51 lakhs

37. MANAGEMENT DISCUSSION & ANALYSIS REPORTS

A detailed report on Management Discussion and Analysis (MDA) Report is included in this Report as **Annexure IV**.

38. BUSINESS RESPONSIBILITY REPORT

As per the provisions of Regulation 34(2) of the SEBI Listing Regulations, as amended, the Annual Report of the top 1000 listed entities based on market capitalization shall include a Business Responsibility Report ("BRR"), thus the Business Responsibility Report is not applicable to us.

39. CORPORATE GOVERNANCE

In accordance with regulation 15(2) of SEBI LODR, 2015, the requirement of compliance with respect to specified Corporate Governance provisions are not applicable to the Company, as the Company has been listed on the SME exchange at NSE Emerge with effect from August 05, 2025.

40. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Based on the report of Internal Audit function, corrective action are undertaken in the respective areas and thereby strengthening the internal controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

During the year under review, no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

41. COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from October 1, 2017. The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same.

42. ORDER OF COURT

No orders are passed by the regulators or courts or Tribunals impacting the going concern status of your company's operation in future.

43. INSIDER TRADING

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons'("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"). The Code is applicable to promoters, member of promoter group, all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website, https://kaytexfabrics.com/.

44. AFFIRMATIONS AND DISCLOSURES

a. **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three financial years:** There are no instances of non-compliances by the Company necessitating imposition of penalties, strictures on the Company by SEBI or any statutory authority, on any matter related to capital markets.

b. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** None

c. **Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year:** None

45. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy. Also, the Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of Sexual Harassment complaints received and disposed off during the year:

a) No. of Complaints received: **Nil**

b) No. of Complaints disposed off: **Nil**

c) Pending beyond 90 days: **Nil**

d) Disposed-off during FY 2025-26: **Nil**

e) Pending as on March 31, 2026: **Nil**

46. MATERNITY BENEFIT

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961, and has extended all statutory benefits to eligible women employees during the year.

47. STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in this Report as **Annexure V** which forms part of this Report.

48. COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel, including criteria for determining qualifications, positive attributes and Independence of Directors. The said policy is available on the Company's Website https://kaytexfabrics.com/investor-relations/

49. DETAILS OF APPLICATION/ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Neither any application was made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

50. ACKNOWLEDGEMENT

The Directors place on record their fathomless appreciation to employees at all levels for their hard work, dedication and commitment, which is vital in achieving the over-all growth of the Company. The Board places on record its appreciation for the support and co-operation the Company has been receiving from its suppliers, distributors, business partners and others associated with it as its trading partners. The Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests. The Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For & on behalf of the Board
For **Kaytex Fabrics Limited**

	Sd/-	Sd/-
	Sanjeev Kandhari	**Amit Kandhari**
Date: August 04, 2026	Managing Director & Chairman	Whole Time Director & CFO
Place: Amritsar	DIN: 01412837	DIN: 01412828

Annexure-I

ANNUAL REPORT ON CSR

1. Brief outline on CSR Policy of the Company:

The CSR policy of the Company lays down the guidelines to make CSR a key business process for sustainable development of the society. The CSR policy also encompasses the scope of CSR activities of the Company and the CSR Policy of the Company is available on its website: https://kaytexfabrics.com/

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Rahul Tandon	Chairman & Member	2	2
2.	Amit Kandhari	Member	2	2
3.	Sanjeev Kandhari	Member	2	2

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://kaytexfabrics.com/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
	Not Applicable		

6. Average net profit of the company as per section 135(5): ₹ 15,36,18,572.00

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 30,72,371.00/-

(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: ₹ 72,371.00/-

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 30,00,000/-

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

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
			NIL		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Blood donation, blood filters for thalassemia patients and healthcare support	Promoting Healthcare including preventive healthcare	Yes	Punjab	Amritsar	15,00,000	Through Implementing Agency	Knowledge Villa Integrated Education & Welfare Society	CSR00017067
2.	Welfare of Animals and Welfare of Poor	Activities covered under Schedule VII	Yes	Punjab	Amritsar	15,00,000	Through Implementing Agency	Smt. Bimla Vati Kapoor Charitable Hospital (Regd.)	CSR00037614
	Total					30,00,000			

(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): ₹ 30,00,000.00/-

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 30,72,371.00/-
(ii)	Total amount spent for the Financial Year	₹ 30,00,000.00/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2024-25 - ₹41,129/-

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	**Project ID.**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹)**	**Status of the project - Completed/ Ongoing**
Not Applicable								

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

(asset-wise details)

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

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

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

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For & on behalf of the Board
For **Kaytex Fabrics Limited**

Sd/-
Sanjeev Kandhari
Managing Director & Chairman
DIN: 01412837

Sd/-
Amit Kandhari
Whole Time Director & CFO
DIN: 01412828

Sd/-
Dinesh Sekhri
Chairman, CSR Committee
Additional Director
(Non-Executive-Independent Director)
DIN: 11746241

Date: August 04, 2026
Place: Amritsar

Annexure-II

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members of
KAYTEX FABRICS LIMITED
(Formerly Known as "KAYTEX FABRICS PRIVATE LIMITED")
CIN: L18101PB1996PLC017639
Batala Road, Post Office Khanna Nagar, Amritsar

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kaytex Fabrics Limited, (Formerly Known as "Kaytex Fabrics Private Limited) having **CIN: L18101PB1996PLC017639** (hereinafter referred as 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 my verification of the 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 here in after:

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

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings*.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): viz
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
   e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014*;
   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008*;
   g) 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;
   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *; and
   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018*.

*Not applicable to the Company during the Audit period

6. Other applicable Acts (to the extent the below-mentioned Acts are applicable):
   a) The Factories Act, 1948
   b) The Industrial Disputes Act, 1947
   c) The Payment of Wages Act, 1936
   d) The Minimum Wages Act, 1948
   e) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
   f) The Payment of Bonus Act, 1965
   g) The Payment of Gratuity Act, 1972
   h) The Contract Labour (Regulation & Abolition) Act, 1970
   i) The Maternity Benefit Act, 1961
   j) The Child Labour(Prohibition & Regulation) Act, 1986
   k) The Industrial Employment (Standing Order) Act, 1946
   l) The Employee Compensation Act, 1923
   m) The Apprentices Act, 1961
   n) The Foreign Trade (Development and Regulation) Act, 1992
   o) The Shops and Establishment Act, 1988
   p) The Water (Prevention and control of pollution) Act 1974, The Air (Prevention and control of pollution) Act 1981 and The Environment Protection Act, 1986 and rules made thereunder
   q) The Public Liability Insurance Act, 1991
   r) The Explosive Act, 1884
   s) The Indian Boilers Act, 1923
   t) The Patents Act, 1970
   u) Employee's State Insurance Act, 1948
   v) Factories and Establishment (National, Festival and Other Holidays) Acts of the applicable states, where the company has establishments.
   w) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.
   x) Labor Welfare Fund Acts of the applicable states, where the company has establishments.

I have relied on the representations made by the Company, its officers and reports of Internal Auditors for systems and mechanism framed by the Company for compliances under other acts, Laws and regulations applicable to the Company as mentioned above.

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(b) The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

I further report that the Board of Directors of the Company has 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.

No changes in the composition of the Board of Directors that took place during the period under review.

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

The details of attendance of the Director at the meetings held during the year under review is stated herewith:

Date of Board Meeting	**Sanjeev Kandhari**	**Amit Kandhari**	**Priti Kandhari**	**Shelly Kandhari**	**Rahul Tandon**	**Rajiv Arora**
Tuesday, 15 April, 2025	Present	Present	Present	Absent	Present	Present
Saturday, 26 April, 2025	Present	Present	Absent	Present	Absent	Absent
Tuesday, 3 June, 2025	Present	Present	Present	Absent	Present	Present
Tuesday, 24 June, 2025	Present	Present	Absent	Present	Present	Present
Saturday, 5 July, 2025	Present	Present	Present	Absent	Absent	Present
Monday, 21 July, 2025	Present	Present	Absent	Present	Present	Absent
Friday, 1 August, 2025	Present	Present	Present	Present	Present	Present
Monday, 1 September, 2025	Present	Present	Present	Present	Present	Present

The details of attendance of the Director at the meetings held during the year under review is stated herewith: (Contd.)

Date of Board Meeting	Sanjeev Kandhari	Amit Kandhari	Priti Kandhari	Shelly Kandhari	Rahul Tandon	Rajiv Arora
Saturday, 27 September, 2025	Present	Present	Absent	Present	Present	Present
Wednesday, 1 October, 2025	Present	Present	Present	Absent	Absent	Absent
Friday, 14 November, 2025	Present	Present	Present	Present	Present	Present
Saturday, 20 December, 2025	Present	Present	Present	Present	Present	Present
Friday, 13 February, 2026	Present	Present	Present	Present	Present	Present
Total	**13**	**13**	**9**	**9**	**10**	**10**

Majority decisions are carried out unanimously and there were no dissenting members during the year under review.

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

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, as informed, the Company has responded appropriately to notices/queries received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

I further report that during the audit period the company made the following major decision:

i. **Initial Public Offering ("IPO") and Listing on SME Platform (NSE Emerge)- National Stock Exchange of India Limited ("NSE"):**

In order to unlock further potential and unleash greater value creation for all stakeholders, the Company came up with IPO of its equity shares. The equity shares of the Company got listed on Stock Exchanges with effect from August 05, 2025.

The IPO, comprising of Fresh Issue and Offer for Sale ("OFS") by selling shareholders, was open for subscription from July 29, 2025 to July 31, 2025. The IPO was made pursuant to Regulation 229 (2) of SEBI (ICDR) Regulations. The IPO comprised of 38,78,400 equity shares at a price of ₹ 180/- per equity share (including a security premium of ₹ 170/- per equity share) aggregating to ₹ 6,981.12 Lakhs comprising a Fresh Issue of up to 31,99,200 equity shares aggregating to ₹ 5,758.56 Lakhs by the Company and an Offer for Sale of up to 6,79,200 equity shares aggregating to ₹ 1,222.56 Lakhs by the Selling Shareholders.

The Company completed its IPO successfully with participation of several leading domestic and global institutional investors as well as NRIs, HNIs and retail investors.

Sd/-
CS Aakruti Somani
Practicing company Secretary
M. No.: ACS-54612, COP No.: 20395
Peer Review No.: 2083/2022
UDIN: A054612H001016562

Date: August 04, 2026
Place: Amritsar

Annexure A

To,
The Members of
KAYTEX FABRICS LIMITED
(Formerly Known as "KAYTEX FABRICS PRIVATE LIMITED")
CIN: L18101PB1996PLC017639
Batala Road, Post Office Khanna Nagar, Amritsar

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

2. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed provide a reasonable basis for our opinion.

4. I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.

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

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

7. 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.

Sd/-
CS Aakruti Somani
Practicing company Secretary
M. No.: ACS-54612, COP No.: 20395
Peer Review No.: 2083/2022
UDIN: A054612H001016562

Date: August 04, 2026
Place: Amritsar

Annexure-III

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 subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

Sr. No.	Particulars	Details
1)	Name (s) of the related party & nature of relationship	Not Applicable
2)	Nature of contracts/arrangements/transaction	
3)	Duration of the contracts/arrangements/transaction	
4)	Salient terms of the contracts or arrangements or transaction including the value, if any	
5)	Justification for entering into such contracts or arrangements or Transactions	
6)	Date of approval by the Board	
7)	Amount paid as advances, if any	
8)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Radha Krishna Trading Co., firm in which Directors/KMP are interested.	Purchases	Not Applicable	aggregate value of purchase by the Company from Radha Krishna Trading Co, partnership Firm, for FY 2025-26: 1,561.93 Lakh	Transactions of the Company with Radha Krishna Trading Co. are in the ordinary course of business and on an arm's length basis and accordingly, approval of the Board under Section 188 of the Companies Act, 2013 was not applicable.	-

For & on behalf of the Board
For **Kaytex Fabrics Limited**

Sd/-
Sanjeev Kandhari
Managing Director & Chairman
DIN: 01412837

Sd/-
Amit Kandhari
Whole Time Director & CFO
DIN: 01412828

Date: August 04, 2026
Place: Amritsar

Annexure V

EMPLOYEE REMUNERATION

PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, DETAILS OF THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION

A. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1.	Sanjeev Kandhari (Chairman and Managing Director)	27.90
2.	Amit Kandhari(Whole Time Director & CFO)	27.90
3.	Shelly Kandhari (Non-Executive Director)	Not applicable
4.	Priti Kandhari (Non-Executive Director)	Not Applicable
5.	Rahul Tandon (Non-Executive Independent Director)	Not Applicable
6.	Rajiv Arora (Non-Executive Independent Director)	Not Applicable
7.	Rubina Mahajan (Company Secretary and Compliance Officer)	1.51

B. The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the Financial Year:

Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1.	Sanjeev Kandhari (Chairman and Managing Director)	No Change
2.	Amit Kandhari(Whole Time Director & CFO)	No Change
3.	Shelly Kandhari (Non-Executive Director)	Not applicable
4.	Priti Kandhari (Non-Executive Director)	Not applicable
5.	Rahul Tandon (Non-Executive Independent Director)	Not Applicable
6.	Rajiv Arora (Non-Executive Independent Director)	Not Applicable
7.	Rubina Mahajan (Company Secretary and Compliance Officer)	8.33%

C. The percentage increase/decrease in the median remuneration of employees in the financial year:

9.23%

D. The number of permanent employees on the rolls of the Company:

806 (at the 31.3.2026)

E. Average percentile increases 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:

The average increase, if any, is based on the objectives of the policy of the Company that is desired to attract, motivate and retain the employees who drive the organization towards success and helps the Company to retain its industry competitiveness.

For & on behalf of the Board
For **Kaytex Fabrics Limited**

Sd/-
Sanjeev Kandhari
Managing Director & Chairman
DIN: 01412837

Sd/-
Amit Kandhari
Whole Time Director & CFO
DIN: 01412828

Date: August 04, 2026
Place: Amritsar

Independent Auditor's Report

To,
The Members of
Kaytex Fabrics Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **Kaytex Fabrics Limited** ("the Company"), which comprise the Balance Sheet as at **31st March 2026**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the a foresaid financial statements give the information required by the **Companies Act, 2013** ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March 2026**, and its **profit** and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the **Institute of Chartered Accountants of India** (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

KEY AUDIT MATTERS

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

1. Initial Public Offering (IPO) and Issuance of Equity Shares

Key audit matter description	How the matter was addressed in the audit
During the financial year ended 31 March 2026, the Company completed its Initial Public Offering (IPO) on the SME platform, issuing 38, 78,400 equity shares of face value ₹ 10 each at a premium of ₹ 170 per share. We have identified this as a Key Audit Matter because the IPO is a significant, non-routine transaction that involves: 1. High inherent risk regarding the allocation and accounting of transaction costs under Section 52 of the Companies Act, 2013 read with the ICAI Guidance Note on Accounting for Share Capital and Financial Instruments. 2. Crucial disclosure requirements concerning the utilization of IPO proceeds as required under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Schedule III to the Companies Act, 2013.	Our audit procedures to address the risks associated with the IPO and share issuance included the following core substantive steps: **Regulatory Verification:** We reviewed the prospectus, Board of Directors' resolutions, and approvals from the SME Stock Exchange and SEBI to verify the legality and terms of the issue. **Cash & Equity Reconciliation:** We vouched the total receipt of funds against escrow bank account statements and verified the math supporting the entries made to **Share Capital** and **Securities Premium** accounts. **Transaction Cost Audit:** We evaluated the nature of transaction costs (underwriting fees, legal fees, and merchant banker fees). We tested management's allocation model to ensure costs directly related to the new share issuance were adjusted against the Securities Premium Account in accordance with Section 52 of the Companies Act, 2013 read with the ICAI Guidance Note on Accounting for Share Capital and Financial Instruments, while costs not attributable to the share issuance were appropriately expensed in the Profit & Loss statement.

1. Initial Public Offering (IPO) and Issuance of Equity Shares (Contd.)

Key audit matter description	How the matter was addressed in the audit
3. Complex adjustments to the weighted average number of shares for Earnings Per Share (EPS) under AS 20 (Earnings Per Share) issued by the Institute of Chartered Accountants of India.	**Monitoring Proceeds:** We verified the disclosures regarding the "Objects of the Issue" by checking the unutilized funds parked in bank deposits and comparing actual expenditures against the stated timelines in the prospectus.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

A. 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 1** a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

B. As required by Section 143(3) of the Act, we report that:

1) 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.

2) 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.

3) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

4) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

5) On the basis of the written representations received from the directors as on March 31, 2026, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.

6) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure 2** to this report.

7) The Company has made necessary compliances in respect to managerial remuneration, whereby such compliances were made when the Company was a Private Limited Company and the same terms and conditions of appointments will prevail till the period of such appointments.

8) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (a) The Company does not have any pending litigation which would impact its financial position.

   (b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(d) (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(d) (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(d) (iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(e) The Company has not declared or paid any dividend during the financial year.

(f) Based on our examination, which included test checks and in pursuant to proviso of Rule3(1) of the Companies(Accounts) Rules, 2014 the Company has used accounting software for maintaining its books of accounts for the financial year ended March, 31st 2026 which has a feature of recording audit trail(edit log) facility and the same has been operated throughout the year for all relevant transaction recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered and in pursuant to Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 the audit trail has been preserved by the company as per the statutory requirements for record retention.

For S G U R & Co
Chartered Accountants
FRN: 005429N

Sajeev Sud
Partner
M.No.: 080396
UDIN: 26080396NXDVQH2423

Date: 29/05/2026
Place: Amritsar

Annexure 1

Referred to in paragraph A under the heading "Report on other legal and regulatory requirements" of our report of even date Re: Kaytex Fabrics Limited (the Company):

i. Property, Plant and Equipment/Fixed Assets

(a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets, Property, Plant, Equipment (PPE) and Intangible Assets.

(a) (B) The company has maintained proper record of its Intangible Assets.

(b) The Fixed Assets, Property, Plant and Equipment (PPE) have been physically verified by the management at reasonable intervals as per the records available with the company; no material discrepancies were noticed on such verification and in case of any material discrepancies the same have been properly dealt with in the books of account.

(c) According to the information and explanations given by the management, 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) included in the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (PPE) or Intangible Assets (including Right of Use assets) during the financial year by any Registered Valuer.

(e) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. Inventories

(a) The management has conducted physical verification of inventory at reasonable intervals; in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. Any discrepancies noticed have been properly dealt with in the books of accounts.

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

iii. Investments, Guarantees, Loans and Advances in Nature of Loans

According to the information and explanations given by the management, The Company has made no investments or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties

iv. Compliance under Sections 185 and 186 of the Companies Act, 2013

The Company has given guarantees to Bank on the borrowings of Kandhari Textile Mills Private Limited, a Related Party of the Company However, the approval under Section 185 of the Companies Act, 2013 is not applicable on the company

v. Deposits

The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

vi. Maintenance of Cost Records under Section 148(1)

The provisions regarding maintenance and audit of cost records under Section 148(1) of the Companies Act, 2013 are applicable to the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) and are of the opinion that, prima facie, the prescribed accounts and cost records have been made and maintained by the Company.

The Cost Audit Report for the financial year 2024-25 has been duly signed by the Cost Auditor on 27th September, 2025 and submitted to the Board of Directors of the Company.

In respect of the current financial year 2025-26, the Cost Audit Report has not yet been provided to us, as the same is not yet due. As per the applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the Cost Auditor is required to submit the finalised Cost Audit Report to the Company's Board of Directors within 180 days from the close of the financial year. Accordingly, the Cost Audit Report for the year ended 31st March, 2026 is not yet due and has, therefore, not been furnished to us.

vii. Statutory Dues

(a) Undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities during the year.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and verified from records, there are no dues of Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute.

viii. Transactions Not Recorded in Books/ Unrecorded Income

There have been no transactions recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, no unrecorded income has been required to be recorded in the books of account during the year.

ix. Default in Repayment of Loans or Borrowings

(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender.

(c) The term loans were applied for the purposes for which the loans were obtained.

(d) No funds raised on short-term basis have been utilised for long-term purposes.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. Money Raised by Way of Public Issue

(a) The Company has raised moneys by way of Initial Public Offer (IPO) during the financial year 2025-26. The IPO, comprising of Fresh Issue and Offer for Sale ("OFS") by selling shareholders, was open for subscription from July 29, 2025 to July 31, 2025. The IPO was made pursuant to Regulation 229 (2) of SEBI (ICDR) Regulations. The IPO comprised of 38,78,400 equity shares at a price of ₹ 180/- per equity share (including a security premium of ₹ 170/- per equity share) aggregating to ₹ 6,981.12 Lakhs comprising a Fresh Issue of up to 31,99,200 equity shares aggregating to ₹ 5,758.56 Lakhs and an Offer for Sale of up to 6,79,200 equity shares aggregating to ₹ 1,222.56 Lakhs by the Selling Shareholders. The Company completed its IPO successfully with participation of several leading domestic and global institutional investors as well as NRIs, HNIs and retail investors. The Company received listing and trading approval from NSE-Emerge on August 05, 2025.

According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the funds raised through the IPO have been applied for the purposes for which they were raised, in accordance with the offer documents/prospectus.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. Fraud

(a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(b) No report under sub-section (12) of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. Nidhi Company

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

xiii. Related Party Transactions

According to the information and explanations given by the management, transactions with related parties were required to be in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable. However, we have been informed that the register required to be maintained under Section 189 of the Act has not been maintained by the Company. Further, the Secretarial Audit Report as required under Section 204 of the Act has not been received by us.

The details of related party transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.

xiv. Internal Audit System

The Company has an internal audit system commensurate with the size and nature of its business. We have considered the Internal Audit Reports received and reviewed by us during the course of our audit.

xv. Non-Cash Transactions with Directors

According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in Section 192 of the Companies Act, 2013.

xvi. Registration under Reserve Bank of India Act, 1934

(a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as it is not a Non-Banking Financial Company.

(b) The Company has not conducted any Non-Banking Financial/Housing Finance activities without a valid Certificate of Registration from the Reserve Bank of India.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, this sub-clause is not applicable to the Company.

xvii. Cash Losses

The Company has not incurred any cash losses during the financial year under report nor in the immediately preceding financial year.

xviii. Resignation of Statutory Auditor

There has been no resignation of the Statutory Auditor of the Company during the financial year.

xix. Going Concern/Material Uncertainty

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and the Company is capable of meeting its liabilities existing at the date of the Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

xx. Corporate Social Responsibility (CSR)

The provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 are applicable to the Company. According to the information and explanations given to us, the Company has made the requisite contribution towards CSR activities in accordance with the applicable provisions and the necessary compliances have been made during the financial year 2025-26.

xxi. Qualifications or Adverse Remarks in CARO Reports of Subsidiaries/Associates/ Joint Ventures

The Company is not required to prepare Consolidated Financial Statements. Accordingly, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

For S G U R & Co
Chartered Accountants
FRN: 005429N

Sajeev Sud
Partner
M.No.: 080396
UDIN: 26080396NXDVQH2423

Date: 29/05/2026
Place: Amritsar

Annexure 2

Referred to in paragraph B Point No.6 under the heading "Report on other legal and regulatory requirements" of our report of even date Re: Kaytex Fabrics Limited (the Company):

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

We have audited the internal financial controls over financial reporting of **Kaytex Fabrics Limited** (the Company) as of 31st March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting 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") and the standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(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 the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subjected to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

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

EXPLANATORY PARAGRAPH

We also have audited, in accordance with the Standards on Auditing issued by the Chartered Accountants of India, as specified under section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2026, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, and our report of even date expressed an unqualified opinion thereon.

For S G U R & Co
Chartered Accountants
FRN: 005429N

Sajeev Sud
Partner
M.No.: 080396
UDIN: 26080396NXDVQH2423

Date: 29/05/2026
Place: Amritsar

Balance Sheet

As at 31-March-2026

(₹ in lakhs)

Particulars	Note	31-March-2026	31-March-2025
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	1,469.92	1,150.00
(b) Reserves and Surplus	4	10,182.40	3,823.78
Total		**11,652.32**	**4,973.78**
(2) Non-current liabilities			
(a) Long-term Borrowings	5	1,106.98	1,528.67
(b) Long-term Provisions	6	450.00	433.74
Total		**1,556.98**	**1,962.41**
(3) Current liabilities			
(a) Short-term Borrowings	7	1,318.14	2,469.80
(b) Trade Payables	8		
- Due to Micro and Small Enterprises		636.00	336.68
- Due to Others		1,474.11	1,692.15
(c) Other Current Liabilities	9	497.90	424.12
(d) Short-term Provisions	10	59.11	110.65
Total		**3,985.26**	**5,033.40**
Total Equity and Liabilities		**17,194.56**	**11,969.59**
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	11	2,741.87	2,595.25
(ii) Intangible Assets	11	0.00	0.33
(iii) Capital Work-in-Progress	11	848.19	241.56
(b) Deferred Tax Assets (Net)	12	148.28	93.38
(c) Other Non-Current Assets	13	57.42	72.38
Total		**3,795.76**	**3,002.90**
(2) Current assets			
(a) Inventories	14	6,390.88	4,206.83
(b) Trade Receivables	15	4,685.13	3,545.70
(c) Cash and Cash equivalents	16	767.14	82.46
(d) Short-Term Loans and Advances	17	1,512.73	1,114.88
(e) Other Current Assets	18	42.92	16.82
Total		**13,398.80**	**8,966.69**
Total Assets		**17,194.56**	**11,969.59**

See accompanying notes to the financial statements

As per our report of even date
For SGUR & Co
Chartered Accountants

For and on behalf of the Board of
Kaytex Fabrics Limited

Sajeev Sud
Partner
Membership No.: 080396
UDIN: 26080396NXDVQH2423

Amit Kandhari
Whole time Director
DIN: 01412828

Sanjeev Kandhari
Managing Director and Chairman
DIN: 01412837

Place: Amritsar
Date: 29-May-2026

CS Rubina Mahajan
Company Secretary
M No.: A56080

Place: Amritsar
Date: 29-May-2026

Statement of Profit and Loss

For the year ended 31-March-2026

(₹ in lakhs)

Particulars	Note	31-March-2026	31-March-2025
Revenue from Operations	19	16,124.12	15,481.15
Other Income	20	159.34	42.78
Total Income		**16,283.46**	**15,523.93**
Expenses			
Cost of Material Consumed	21	12,795.79	11,183.37
Change in Inventories of Work in Progress and Finished goods	22	-1,499.79	-442.60
Employee Benefit Expenses	23	612.70	619.58
Finance Costs	24	356.35	435.24
Depreciation and Amortization Expenses	25	495.68	422.55
CSR Expenditure	26	30.00	20.00
Other Expenses	27	1,186.42	1,114.57
Total expenses		**13,977.15**	**13,352.71**
Profit/(Loss) before Exceptional and Extraordinary Item and Tax		**2,306.31**	**2,171.22**
Exceptional Item		-	-
Profit/(Loss) before Extraordinary Item and Tax		**2,306.31**	**2,171.22**
Extraordinary Item		-	-
Profit/(Loss) before Tax		**2,306.31**	**2,171.22**
Tax Expenses	28		
- Current Tax		606.02	583.89
- Deferred Tax		-54.90	-9.32
- Prior Period Taxes		12.49	18.00
Profit/(Loss) after Tax		**1,742.70**	**1,578.65**
Earnings Per Share (Face Value per Share ₹ 10 each)			
- Basic (In ₹)	29	12.79	13.73
- Diluted (In ₹)	29	12.79	13.73

See accompanying notes to the financial statements

As per our report of even date
For SGUR & Co
Chartered Accountants

For and on behalf of the Board of Kaytex Fabrics Limited

Sajeev Sud
Partner
Membership No.: 080396
UDIN: 26080396NXDVQH2423

Amit Kandhari
Whole time Director
DIN: 01412828

Sanjeev Kandhari
Managing Director and Chairman
DIN: 01412837

CS Rubina Mahajan
Company Secretary
M No.: A56080

Place: Amritsar
Date: 29-May-2026

Place: Amritsar
Date: 29-May-2026

Cash Flow Statement

For the year ended 31-March-2026

(₹ in lakhs)

Particulars	Note	31-March-2026	31-March-2025
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		2,306.31	2,171.24
Profit/(loss) from Discontinuing Operation (after tax)		-	-
Depreciation and Amortisation Expense		495.68	422.55
Effect of Exchange Rate Change		-22.98	-9.44
Loss/(Gain) on Sale/Discard of Assets (Net)		-28.58	4.33
Non Cash Expenses		22.17	83.80
Interest Income		-74.23	-4.78
Finance Costs		356.35	435.24
Operating Profit before working capital changes		**3,054.72**	**3,102.92**
Adjustment for:			
Inventories		-2,184.05	-1,085.95
Trade Receivables		-1,116.50	-790.32
Other Current Assets		-384.16	-214.46
Trade Payables		81.32	565.65
Other Current Liabilities		73.78	164.59
Provisions		-	-
Cash (Used in)/Generated from Operations		-474.90	1,742.43
Tax paid(Net)		676.15	662.43
Net Cash (Used in)/Generated from Operating Activities		**-1,151.05**	**1,080.00**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		-1,258.47	-1,043.93
Sale of Property, Plant and Equipment		38.45	9.45
Interest received		49.60	4.78
Net Cash (Used in)/Generated from Investing Activities		**-1,170.41**	**-1,029.70**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Share Capital		5,758.56	-
Share Issue Expenses		-822.73	-
Proceeds from Long Term Borrowings		-421.69	-609.65
Proceeds from Short Term Borrowings		-1,151.65	1,055.70
Interest Paid		-356.35	-435.24
Net Cash (Used in)/Generated from Financing Activities		3,006.14	10.82
Net Increase/(Decrease) in Cash and Cash Equivalents		**684.67**	**61.12**
Opening Balance of Cash and Cash Equivalents		82.46	21.33
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-
Closing Balance of Cash and Cash Equivalents	16	**767.14**	**82.46**

Cash Flow Statement (Contd.)

For the year ended 31-March-2026

(₹ in lakhs)

Components of cash and cash equivalents	31-March-2026	31-March-2025
Cash on hand	7.19	7.31
Cheques, drafts on hand	-	-
Balances with banks in current accounts	25.91	75.15
Bank Deposit having maturity of less than 3 months	734.03	-
Others	-	-
Cash and cash equivalents as per Cash Flow Statement	**767.14**	**82.46**
Other Bank Balance		
Bank Deposit having maturity of greater than 3 months and less than 12 months	-	-
Bank Deposit having maturity of greater than 12 months	-	-
Less: Deposits reclassified to other non current assets	-	-
Cash and bank balance as per Balance Sheet	**767.14**	**82.46**

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

See accompanying notes to the financial statements

As per our report of even date
For SGUR & Co
Chartered Accountants

For and on behalf of the Board of
Kaytex Fabrics Limited

Sajeev Sud
Partner
Membership No.: 080396
UDIN: 26080396NXDVQH2423

Amit Kandhari
Whole time Director
DIN: 01412828

Sanjeev Kandhari
Managing Director and Chairman
DIN: 01412837

Place: Amritsar
Date: 29-May-2026

CS Rubina Mahajan
Company Secretary
M No.: A56080

Place: Amritsar
Date: 29-May-2026

Notes Forming Part of the Financial Statements

1. COMPANY INFORMATION

Kaytex Fabrics Limited("company") is a public limited company incorporated in 1996, headquartered in Amritsar, Punjab, and engaged in the manufacturing of textiles and apparel products. The company produces a wide range of fabrics made from cotton, polyester, viscose, and blended materials, along with ready-to-stitch garments and fashion accessories such as shawls and stoles. It operates as a fast-fashion solutions provider by combining modern technologies like digital printing and advanced weaving with traditional craftsmanship to deliver high-quality, customizable products. With integrated operations including weaving, dyeing, printing, and finishing. The Company serves a broad customer base comprising apparel brands, wholesalers, retailers, and designers, offering end-to-end solutions from design to final production.

The Board of Directors approved these financial statements for the year ended 31st March 2026 on 29th May 2026.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, as applicable. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of business operations of the company, the Company has considered an operating cycle of 12 months.

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

b. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, provision for income taxes, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known/materialise.

c. Property, Plant and Equipment

Property, plant and equipment are stated at cost comprising the purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

d. Intangible Assets

Intangible assets are non-monetary assets without physical substance that are identifiable and controlled by the organization as a result of past events and from which future economic benefits are expected to flow to the organization. Intangible assets are initially measured at cost, which comprises the purchase price (including import duties and non-refundable purchase taxes) and any directly attributable expenditure on preparing the asset for its intended use.

e. Depreciation and Amortization

Depreciation has been provided on the Fixed Asset on the Written Down Value Method and in accordance with the useful life of the Asset as prescribed under Schedule II of the Companies Act, 2013. Depreciation is provided for Property, Plant and Equipment using Written Down Value method so as to expense the cost less residual value over their estimated useful lives given in companies act. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. The Estimated Useful Lives are as follows:

Type of Assets	Useful Life
Building	30 Years
Vehicles	8 Years
Computers and Data Processing units	3 years
Electrical Installations and Equipments	10 years
Furniture and Fittings	10 years
Office Equipments	5 years
Plant and Equipments	15 Years

f. Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds, government securities and bonds are stated at the lower of cost and fair value.

g. Inventories

Raw materials are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the cost. Stores and spare parts are carried at lower of cost and net realisable value. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

The valuation for inventories is as follows:

Classification	Valuation Policy
Finished Goods	At lower of cost or net realizable value.
Raw Material	At lower of cost or net realizable value.
WIP	At Cost
Consumables	At Cost

h. Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

i. Revenue Recognition

Revenue from a transaction involving the sale of goods is that the seller has transferred the property in the goods to the buyer for a consideration. The transfer of property in goods, in most cases, results in or coincides with the transfer of significant risks and rewards of ownership to the buyer. However, there may be situations where transfer of property in goods does not coincide with the transfer of significant risks and rewards of ownership. Revenue in such situations is recognised at the time of transfer of significant risks and rewards of ownership to the buyer.

Revenue from service transactions is usually recognised as the service is performed, by the completed service contract method as the Performance consists of the execution of a single act. Alternatively, services are performed in more than a single act, and the services yet to be performed are so significant in relation to the transaction taken as a whole that performance cannot be deemed to have been completed until the execution of those acts. Accordingly revenue is recognised when the sole or final act takes place and the service becomes chargeable.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract Interest income is accrued at applicable interest rate.

j. Employee Benefits

Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as expense when employees have rendered services entitling them to such benefits.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet Date.

k. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

l. Foreign Currency Transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

m. Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income taxpayable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

n. Earnings Per Shares

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all dilutive potential equity shares into equity shares.

o. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

p. Corporate Social Responsibility

The Company shall spend at least 2% of the average net profits of the preceding three financial years in various CSR activities such as welafre of woemen,children, poor, needy and society as a whole.

q. Segment Reporting

The Company operates in a single reportable segment i.e manfacturing of fabrics. Accordingly ,no separate segment reporting is presented.

r. Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

s. Leases

Assets taken on lease by the company in its capacity as lesse, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

Leases other than finance lease, are operating leases, and the leased assets are not recognised on the Company's Balance Sheet. Payments/rental income under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

t. Impairment

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable value. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

u. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax expense is adjusted for the effects of a non-cash nature, any deferrals or accruals of past or future operating cas receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are seggregated.

As per our report of even date
For SGUR & Co
Chartered Accountants

For and on behalf of the Board of
Kaytex Fabrics Limited

Sajeev Sud
Partner
Membership No.: 080396
UDIN: 26080396NXDVQH2423

Amit Kandhari
Whole time Director
DIN: 01412828

Sanjeev Kandhari
Managing Director and Chairman
DIN: 01412837

CS Rubina Mahajan
Company Secretary
M No.: A56080

Place: Amritsar
Date: 29-May-2026

Place: Amritsar
Date: 29-May-2026

3. SHARE CAPITAL

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Authorised Share Capital		
Equity Shares, of ₹ 10 each, 18000000 (Previous Year -18000000) Equity Shares	1,800.00	1,800.00
Issued, Subscribed and Fully Paid up Share Capital		
Equity Shares, of ₹ 10 each, 14699200 (Previous Year -11500000) Equity Shares paid up	1,469.92	1,150.00
Total	**1,469.92**	**1,150.00**

During the financial year 2025-26, the Company has made an Initial Public Issue of 31,99,200 Equity shares of face value ₹ 10 each at a price of ₹ 180 per Equity share aggregating to ₹ 5,758.56 Lakhs and made allotment of fully paid-up Equity Shares and an Offer For Sale of up to 6,79,200 Equity Shares of face value of ₹ 10 each at a price of ₹ 180 per Equity share aggregating to ₹ 1,222.56 Lakhs by the Selling Shareholders of the Company.

(i) Reconciliation of number of shares

Particulars	31-March-2026		31-March-2025	
Equity Shares	**No. of shares**	**(₹ in lakhs)**	**No. of shares**	**(₹ in lakhs)**
Opening Balance	1,15,00,000	1,150.00	5,00,000	50.00
Issued during the year	31,99,200	319.92	1,10,00,000	1,100.00
Deletion	-	-	-	-
Closing balance	**1,46,99,200**	**1,469.92**	**1,15,00,000**	**1,150.00**

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. 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.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares	31-March-2026		31-March-2025	
Name of Shareholder	**No. of shares**	**In %**	**No. of shares**	**In %**
Sanjeev Kandhari	54,76,775	37.26%	57,49,975	49.99%
Amit Kandhari	54,56,775	37.12%	57,49,975	49.99%

(iv) Shares held by Promoters at the end of the year 31-March-2026

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Sanjeev Kandhari	Equity	54,76,775	37.26%	-12.73%
Amit Kandhari	Equity	54,56,775	37.12%	-12.87%

Shares held by Promoters at the end of the year 31-March-2025

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Sanjeev Kandhari	Equity	57,49,975	49.99%	-0.01%
Amit Kandhari	Equity	57,49,975	49.99%	-0.01%

4. RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Securities Premium		
Opening Balance	-	-
Add: Issue of Shares	5,438.64	-
(Add)/Less: Adjustment against IPO Expenses	822.73	-
Closing Balance	**4,615.91**	**-**
General Reserve		
Opening Balance	766.30	1,427.42
Add: Transfer from P&L	-	438.88
Less: Bonus Shares issued	-	1,100.00
Closing Balance	**766.30**	**766.30**
Statement of Profit and loss		
Balance at the beginning of the year	3,057.48	1,917.70
Add: Profit/(loss) during the year	1,742.70	1,578.65
Less: Appropriation		
Transfer to General Reserve	-	438.88
Balance at the end of the year	**4,800.18**	**3,057.48**
Total	**10,182.40**	**3,823.78**

During the financial year 2025-26, the Company has made an Initial Public Issue of 31,99,200 Equity shares of face value ₹ 10 each at a price of ₹ 180 per Equity share aggregating to ₹ 5,758.56 Lakhs and made allotment of fully paid up shares .The shares were issues at a premium of ₹ 170 amounting to ₹ 5438.64 lakhs.

Out of the above ₹ 822.73 lakhs have been utilised for IPO expenses.

5. LONG TERM BORROWINGS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Secured Term loans from banks	635.29	1,004.91
Unsecured Loans and advances from related parties	471.69	523.76
Total	**1,106.98**	**1,528.67**

Particulars of Long term Borrowings

Name of Lender/Type of Loan	Nature of Security	Rate of Interest	Monthly Installments	No. of Installment
HDFC BANK-Auto laon	Vehicle	9.40%	37569	60
HDFC BANK-BBG-WC Term loan	Property, Plant and Equipments	Repo Rate +5.5%	562394	60
HDFC BANK-BBG-WC Term loan	Property, Plant and Equipments	Repo Rate +5.5%	424413	64
HDFC BANK-BBG-WC Term loan	Property, Plant and Equipments	Repo Rate +5.5%	788913	59
HDFC BANK-BBG-WC Term loan	Property, Plant and Equipments	Repo Rate +5.5%	479600	62
HDFC BANK-BBG-WC Term loan	Property, Plant and Equipments	Repo Rate +5.5%	643370	82
HDFC BANK-BBG-WC Term loan	Property, Plant and Equipments	Repo Rate +5.5%	469352	59

Particulars of Long term Borrowings (Contd.)

Name of Lender/Type of Loan	Nature of Security	Rate of Interest	Monthly Installments	No. of Installment
Amit Kandhari	Unsecured Loan	As per agreement	As per agreement	As per agreement
Sanjeev Kandhari	Unsecured Loan	As per agreement	As per agreement	As per agreement

6. LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Provision for employee benefits		
- Provision For Gratuity	450.00	433.74
Total	**450.00**	**433.74**

Detailed disclosure part as per Accounting Standard is given in Note No. 23.

7. SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Current maturities of long-term debt	337.94	1,423.40
Secured Loans repayable on demand from banks	978.36	862.74
Unsecured Loans repayable on demand from banks	1.84	183.66
Total	**1,318.14**	**2,469.80**

Particulars of Short term Borrowings

Name of Lender/Type of Loan	Rate of Interest	Nature of Security
HDFC Bank	5.5%+Repo	Book Debts,Industrial, Industrial property, Personal Guarantee of directors, Plant and Machinery and stock

Current maturities are a part of Long Term Borrowings given in Note No. 5.

8. TRADE PAYABLES

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Due to Micro and Small Enterprises	636.00	336.68
Due to others	1,474.11	1,692.15
Total	**2,110.11**	**2,028.83**

8.1 Trade Payable ageing schedule as at 31-March-2026

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	636.00	-	-	-	636.00
Others	1,413.60	45.48	1.28	13.76	1,474.11
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Sub total	**-**	**-**	**-**	**-**	**2,110.11**
MSME - Undue	-	-	-	-	-
Others - Undue	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**2,110.11**

8.2 Trade Payable ageing schedule as at 31-March-2025

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	336.68	-	-	-	336.68
Others	1,656.67	1.36	2.16	31.96	1,692.15
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Sub total	**-**	**-**	**-**	**-**	**2,028.83**
MSME - Undue	-	-	-	-	-
Others - Undue	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**2,028.83**

8.3 Micro and Small Enterprise

Particulars	31-March-2026		31-March-2025	
	Principal	Interest	Principal	Interest
Amount Due to Supplier	636.00	-	336.68	-
Principal amount paid beyond appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-	-	-
Further interest remaining due and payable for earlier years.	-	-	-	-

9. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Interest accrued and due on borrowings	4.60	-
Statutory dues		
- Cgst Output (Rcm)	1.38	1.72
- E.S.I.C Payable	1.41	1.40
- Igst Output (Rcm)	0.62	0.42
- Provident Fund Payable	3.25	3.42
- Punjab Labour Welfare Fund	0.30	0.61
- Punjab Water Regulation & Dev. Authority	0.84	4.17
- Sgst Output (Rcm)	1.38	1.72
- TDS Payable	33.01	25.86
Salaries and wages payable	329.74	266.29
Advances from customers	27.48	17.82
Creditors for capital goods	5.03	-
Other payables		
- Electricity Payable	23.45	62.50

9. OTHER CURRENT LIABILITIES (Contd.)

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
- Incentive Payable	8.34	3.81
- Internal Audit Fees Payable	5.40	-
- Meeting Remuneration Payable	3.20	2.83
Audit Fees payable	1.35	-
Cheque In Transit	47.12	31.55
Total	**497.90**	**424.12**

10. SHORT TERM PROVISIONS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Provision for employee benefits	49.49	43.58
Provision for income tax	9.62	67.07
Total	**59.11**	**110.65**

11. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block
	As on 01-Apr-25	Addition	Deduction	As on 31-Mar-26	As on 01-Apr-25	For the year	Deduction	As on 31-Mar-26	As on 31-Mar-26
(i) Property, Plant and Equipment									
Building	279.88	86.61	-	366.49	91.33	21.17	-	112.49	254.00
Vehicles	260.16	0.91	-	261.08	216.38	9.77	-	226.15	34.93
Computers and Data Processing units	114.64	22.20	-	136.84	99.15	12.75	-	111.90	24.94
Electrical Installations and Equipments	123.58	17.68	-	141.25	78.31	14.44	-	92.75	48.50
Freehold Land	219.55	-	-	219.55	-	-	-	-	219.55
Furniture and Fittings	36.05	2.97	-	39.02	14.47	5.95	-	20.42	18.59
Office Equipments	5.82	-	-	5.82	5.11	0.18	-	5.29	0.53
Plant and Equipments	3,799.89	521.46	42.16	4,279.19	1,739.56	431.09	32.29	2,138.36	2,140.84
Total	**4,839.57**	**651.84**	**42.16**	**5,449.24**	**2,244.32**	**495.35**	**32.29**	**2,707.37**	**2,741.87**

(₹ in lakhs)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block
	As on 01-Apr-25	Addition	Deduction	As on 31-Mar-26	As on 01-Apr-25	For the year	Deduction	As on 31-Mar-26	As on 31-Mar-26
Computer Software	6.79	-	-	6.79	6.46	0.33		6.79	0.00
Total	**6.79**	**-**	**-**	**6.79**	**6.46**	**0.33**	**-**	**6.79**	**0.00**

(₹ in lakhs)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block
	As on 01-Apr-24	Addition	Deduction	As on 31-Mar-25	As on 01-Apr-24	For the year	Deduction	As on 31-Mar-25	As on 31-Mar-25
(i) Property, Plant and Equipment									
Building	208.88	71.00	-	279.88	74.71	16.62	-	91.33	188.55
Vehicles	239.89	20.82	0.55	260.16	209.16	7.70	0.48	216.38	43.78
Computers and Data Processing units	104.86	9.78	-	114.64	89.82	9.33	-	99.15	15.49
Electrical Installations and Equipments	108.69	14.88	-	123.58	64.71	13.60	-	78.31	45.26
Freehold Land	105.95	113.60	-	219.55	-	-	-	-	219.55
Furniture and Fittings	20.65	15.40	-	36.05	10.48	3.99	-	14.47	21.58
Office Equipments	5.71	0.10	-	5.82	4.85	0.26	-	5.11	0.71
Plant and Equipments	3,330.63	556.78	87.52	3,799.89	1,442.33	371.05	73.82	1,739.56	2,060.33
Total	**4,125.27**	**802.37**	**88.07**	**4,839.57**	**1,896.07**	**422.55**	**74.30**	**2,244.32**	**2,595.25**

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

(₹ in lakhs)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block
	As on 01-Apr-24	Addition	Deduction	As on 31-Mar-25	As on 01-Apr-24	For the year	Deduction	As on 31-Mar-25	As on 31-Mar-25
Computer Software	6.79	-	-	6.79	6.46	-	-	6.46	0.33
Total	**6.79**	**-**	**-**	**6.79**	**6.46**	**-**	**-**	**6.46**	**0.33**

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
(iii) Capital Work-in-progress	**848.19**	**241.56**

Capital Work-in-Progress Ageing Schedule

(₹ in lakhs)

Capital Work-in-Progress	Amount in CWIP for a period of				31-March-2026	Amount in CWIP for a period of				31-March-2025
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	832.19	16.00	-	-	848.19	241.56	-	-	-	241.56
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

Project wise Disclosure

(₹ in lakhs)

Capital Work-in-Progress	Project Status	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Project Status	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years
Building Batala Road Khasra No. 927	In Progress	79.16	-	-	-	-	-	-	-	-
Building Batala Road 3 under construction	In Progress	97.27	16.00	-	-	In Progress	16.00	-	-	-
Machinery under installation	Completed	-	-	-	-	In Progress	216.12	-	-	-
Warehouse at Balkalan	Completed	-	-	-	-	In Progress	9.44	-	-	-
Machinery under installation	In Progress	513.90	-	-	-	-	-	-	-	-
Shed at processing unit	In Progress	13.03	-	-	-	-	-	-	-	-
Solar Plant under construction	In Progress	128.83	-	-	-	-	-	-	-	-

12. DEFERRED TAX ASSETS NET

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Deferred Tax Assets Net	148.28	93.38
Total	**148.28**	**93.38**

12.1 Significant Components of Deferred Tax

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Deferred Tax Asset		
Difference between book depreciation and tax depreciation	23.48	93.38
Provision for Gratuity	125.71	-
Expenses disallowed under 43b(h)	-0.91	-
Gross Deferred Tax Asset (A)	**148.28**	**93.38**
Deferred Tax Liability		
Gross Deferred Tax Liability (B)	**-**	**-**
Net Deferred Tax Asset (A)-(B)	**148.28**	**93.38**

13. OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Security Deposits		
- CDSL	0.10	0.10
- Electricity Security	34.64	49.60
- Ground Water Extraction	2.48	2.48
- NSDL	0.10	0.10
- Rent Securities	19.90	19.90
- Telephone Security	0.20	0.20
Total	**57.42**	**72.38**

14. INVENTORIES

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Raw materials*	1,666.70	995.74
Finished goods	4,694.98	3,206.59
Stores and spare parts	18.05	4.50
Finished Goods Stock in Transit	11.16	-
Total	**6,390.88**	**4,206.83**

*This includes Purchase Stock in Transit amounting to ₹ 288.65 lakhs (Previous year ₹ 186.36 lakhs).

15. TRADE RECEIVABLES

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Unsecured considered good	4,685.13	3,545.70
Total	**4,685.13**	**3,545.70**

15.1 Trade Receivables ageing schedule as at 31-March-2026

(₹ in lakhs)

Particulars	Outstanding for following periods rom due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	4,449.85	165.24	23.89	13.76	17.06	4,669.81
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables-considered good	-	-		-	15.33	15.33
Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Sub total	**-**	**-**	**-**	**-**	**-**	**4,685.13**
Undue - considered good	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**4,685.13**

15.2 Trade Receivables ageing schedule as at 31-March-2025

(₹ in lakhs)

Particulars	Outstanding for following periods rom due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	3,444.59	29.64	36.74	0.65	18.75	3,530.37
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables-considered good	-	-	-	-	15.33	15.33
Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Sub total	**-**	**-**	**-**	**-**	**-**	**3,545.70**
Undue - considered good	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**3,545.70**

16. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Cash on hand	7.20	7.31
Balances with banks in current accounts	25.91	75.15
Bank Deposit having maturity of less than 3 months	734.03	-
Total	**767.14**	**82.46**

17. SHORT TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Loans and advances to employees	14.05	11.68
Advances to suppliers	170.72	56.25
Balances with Government Authorities		
- Cgst Input To Be Claimed	0.87	0.45
- Cgst Refundable	-	46.01
- Duty Drawback Recievable	1.67	1.75

17. SHORT TERM LOANS AND ADVANCES (Contd.)

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
- Gst Cash Ledger Balance	0.05	-
- Gst Receivable	1,282.48	928.96
- Igst Input To Be Claimed	12.29	8.41
- Igst Refundable	-	2.46
- Igst Refundable Agnst. Export/Sez Unit	13.70	8.16
- Rodtep Receivable	16.04	4.20
- Sgst Input To Be Claimed	0.86	0.45
- Sgst Refundable	-	46.01
Others		
- Credit card	-	0.09
Total	**1,512.73**	**1,114.88**

Balances with Goods and Services Tax Authorities include an amount of ₹ 12 lakhs (approx.) which is pending reconciliation as at the balance sheet date. The management is of the opinion that the unreconciled balance is immaterial in nature and no significant adjustments are expected upon completion of such reconciliation.

18. OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Interest accrued	24.63	-
Insurance claim Receivable	1.89	-
IPO Expense	-	15.67
Prepaid Expenses	16.40	1.15
Total	**42.92**	**16.82**

19. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Sale of products	14,894.82	14,240.14
Sale of services	1,229.30	1,241.01
Total	**16,124.12**	**15,481.15**

20. OTHER INCOME

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Interest Income		
- Interest Received On Fdr	68.16	-
Duty Drawback	13.24	9.58
Total continued	**81.40**	**9.58**

Other Income

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Total continued from previous page	**81.40**	**9.58**
Exchange Rate Diff. (Export)	22.93	9.44
Exchange Rate Diff. (Import)	0.05	-
Incentive Received	0.84	-
Interest received on late payment	6.07	4.78

Other Income (Contd.)

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Profit On Sale Of Fixed Assets	28.59	-
Rent	3.84	3.67
Rodtep	15.60	15.30
Rounded Off	0.02	0.01
Total	**159.34**	**42.78**

21. COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Raw Material Consumed		
Opening stock	995.74	352.89
Purchases	8,793.54	8,280.17
Less: Closing stock	1,666.46	995.74
Total	**8,122.82**	**7,637.32**
Other Manufacturing Expenses	4,672.97	3,546.05
Total	**4,672.97**	**3,546.05**
Total	**12,795.79**	**11,183.37**

22. CHANGE IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Opening Inventories		
Finished Goods	3,206.59	2,763.99
Less: Closing Inventories	**-**	**-**
Finished Goods	4,695.22	3,206.59
Stock-in-trade	11.16	-
Total	**-1,499.79**	**-442.60**

23. EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Salaries and wages	210.32	187.68
Contribution to provident and other funds	33.3	35.44
Staff welfare expenses	12.03	7.90
Leave Encashment	62.72	58.92
Bonus	95.67	88.57
Total continued	**414.04**	**378.51**

Employee benefit expenses

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Total continued from previous page	**414.04**	**378.51**
Gratuity	34.11	95.72
Incentive	44.55	25.35
Director Remuneration	120.00	120.00
Total	**612.70**	**619.58**

Defined Contribution Plan

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Employers Contribution to Provident Fund	2.03	21.54
Employers Contribution to Employee State Insurance	12.78	13.40
Employers Contribution to Labour Welfare Fund	0.49	0.49

Defined Benefit Plan

Changes in the present value of the defined benefit obligation

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Defined Benefit Obligation at beginning of the year	477.32	393.52
Current Service Cost	80.06	69.71
Interest Cost	32.93	28.53
Actuarial (Gain)/Loss	-78.88	-2.52
Benefits Paid	-11.94	-11.93
Defined Benefit Obligation at year end	**499.49**	**477.32**
Fair value of plan assets as at the end of the year	**-**	**-**

Reconciliation of present value of defined benefit obligation and fair value of assets

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Present value obligation as at the end of the year	499.49	477.32
Fair value of plan assets as at the end of the year	-	-
Funded status/(deficit) or Unfunded net liability	-499.49	-477.32
Amount classified as:		
Short term provision	49.49	43.59
Long term provision	450.00	433.73

24. FINANCE COSTS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Interest expense	343.51	423.24
Bank Charges	12.84	12.00
Total	**356.35**	**435.24**

25. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Depreciation on property, plant and equipment	495.35	422.55
Amortisation	0.33	-
Total	**495.68**	**422.55**

26. CSR EXPENDITURE

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
CSR Contribution*	30.00	20.00
Total	**30.00**	**20.00**

*Refer Note No. 34.

27. OTHER EXPENSES

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Payment to Statutory Auditor	5.09	1.34
Administrative Expenses	145.37	92.77
Repairs & Maintenance	72.58	88.29
Selling & Distribution Expenses	449.80	465.33
Travelling Expenses	37.37	38.38
Board & Committee Meetings Remuneration	4.20	3.15
Cost of Sales	38.14	31.60
Consumption of Packing Material	157.83	153.29
Donation and Contributions	1.50	2.28
Insurance	17.82	12.62
Statutory Expenses, Interest and Late Fees	33.36	21.22
IT & Communication	2.80	2.60
Loss on Sale of Assets	-	4.32
Losses & Write-offs	13.15	8.26
Rent & Utilities	207.41	189.12
Total	**1,186.42**	**1,114.57**

28. TAX EXPENSES

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Current Tax	606.02	583.89
Deferred Tax	-54.90	-9.32
Prior Period Taxes		
- Income Tax	12.49	18.00
Total	**563.61**	**592.57**

28.1 Significant components of Deferred Tax charged during the year

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Expenses provided but allowable in Income tax on Payment basis	-124.80	-
Difference between book depreciation and tax depreciation	69.90	-9.32
Total	**-54.90**	**-9.32**

29. EARNING PER SHARE

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Profit attributable to equity shareholders (₹ in lakhs)	1,743.82	1,578.66
Weighted average number of Equity Shares	1,36,20,313	1,15,00,000
Earnings per share basic (₹)	12.79	13.73
Earnings per share diluted (₹)	12.79	13.73
Face value per equity share (₹)	10	10

30. AUDITORS' REMUNERATION

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Payments to auditor as		
- Auditor	3.57	0.51
- for taxation matters	0.35	0.30
- for other services	1.17	0.54
Total	**5.09**	**1.34**

31. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Guarantee given to HDFC Bank against working capital loan granted to Kandhari Textile Mills private Limited	100.00	100.00
Total	**100.00**	**100.00**

32. RELATED PARTY DISCLOSURE

(i) List of Related Parties

Particulars	Relationship
Amit Kandhari	Director
Sanjeev Kandhari	Director
Priti Kandhari	Director
Shelly Kandhari	Director
Sahil Kandhari	Relative of Director
Sweety Ahuja	Relative of Director
Devika Arora	Relative of Director
Rubina Mahajan	Company secretary
Radha Krishna (Trading Co)	Entity in which director is substantially interested
Kandhari Textile Millls Private Ltd.	Associate Company
Amit Kandhari HUF	HUF of Director
Sanjeev Kandhari HUF	HUF of Director
Chahhat Kandhari	Relative of Director
Jannak Kandhari	Relative of Director
Estate of Krishna Kumar Kandhari	Estate of relative of Director
SS enterprise	HUF of relative of director
Vikas Enterprise	Relative of Director
Manohar Lal Grover	Relative of Director

(i) List of Related Partie (Contd.)

Particulars	Relationship
Rahul Tondon	Independent Director
Rajiv Arora	Independent Director
Neeraj Grover (M.L enterprises)	Relative of director
Khanna Dyeing Mills Pvt Ltd.	Entity in which director is substantially interesteted
Friends embroidery	Entity in which relative of director is sustantially interested
Mehak Gupta	Relative of Director

(ii) Related Party Transactions

(₹ in lakhs)

Particulars	Relationship	31-March-2026	31-March-2025
Directors Remuneration			
- Amit Kandhari	Director	60.00	60.00
- Sanjeev Kandhari	Director	60.00	60.00
Salary			
- Priti Kandhari	Director	-	5.25
- Shelly Kandhari	Director	-	5.25
- Sahil Kandhari	Relative of Director	18.00	18.00
- Sweety Ahuja	Relative of Director	6.05	5.45
- Devika Arora	Relative of Director	4.55	1.40
- Rubina Mahajan	Company secretary	3.25	1.00
Purchase			
- Radha Krishna (Trading Co)	Entity in which director is substantially interested	1,561.93	1,801.39
Rent			
- Kandhari Textile Millls Private Ltd.	Associate Company	48.60	48.60
- Priti Kandhari	Director	18.00	18.00
- Shelly Kandhari	Director	18.00	18.00
Rent Received			
- Radha Krishna (Trading Co)	Entity in which director is substantially interested	1.44	1.27
- Kandhari Textile Millls Private Ltd.	Associate Company	2.40	2.40
Incentive paid			
- Sahil Kandhari	Relative of Director	44.54	25.35
Interest paid against loan			
- Amit Kandhari	Director	57.64	45.47
- Sanjeev Kandhari	Director	25.24	18.52
- Chahhat Kandhari	Relative of Director	-	1.19
- Sahil Kandhari	Relative of Director	-	0.15
- Priti Kandhari	Director	-	3.94
- Jannak Kandhari	Relative of Director	-	6.37
- Sanjeev Kandhari HUF	HUF of Director	-	17.92
- Shelly Kandhari	Director	-	0.41
- Estate of Krishna Kumar Kandhari	Estate of relative of Director	-	7.51
- Amit Kandhari HUF	HUF of Director	-	10.67

(ii) Related Party Transactions (Contd.)

(₹ in lakhs)

Particulars	Relationship	31-March-2026	31-March-2025
- Vikas Enterprise	Relative of Director	-	4.94
- SS enterprise	HUF of relative of director	-	1.44
Brokerage			
- Manohar Lal Grover	Relative of Director	2.62	1.78
Board and comittee meeting remuneration			
- Shelly Kandhari	Director	0.80	0.80
- Rahul Tondon	Independent Director	1.35	0.85
- Rajiv Arora	Independent Director	1.20	0.80
- Priti Kandhari	Director	0.85	0.70
Sales			
- Radha Krishna (Trading Co)	Entity in which director is substantially interesteted	0.07	6.44
- Sweety Ahuja	Relative of Director	0.04	1.54
- Khanna Dyeing Mills Pvt Ltd.	Entity in which director is substantially interesteted	3.11	1.80
- Neeraj Grover (M.L enterprises)	Relative of Director	0.16	7.55
Interest on purchase			
- Radha Krishna (Trading Co)	Entity in which director is substantially interesteted	16.33	-
Machinery purchased			
- Kandhari Textile Millls Private Ltd.	Associate Company	2.30	-
Unsecured loan			
- Amit Kandhari	Director	273.00	275.27
- Sanjeev Kandhari	Director	34.50	174.82
- Priti Kandhari	Director	-	4.00
- Shelly Kandhari	Director	-	4.00
Repayment of unsecured loan			
- Amit Kandhari	Director	337.60	93.05
- Sanjeev Kandhari	Director	96.57	26.65
- Priti Kandhari	Director	-	55.65
- Shelly Kandhari	Director	-	12.02
- Amit Kandhari HUF	HUF of Director	-	148.39
- Sanjeev Kandhari HUF	HUF of Director	-	220.12
- Sahil Kandhari	Relative of Director	-	13.76
- Jannak Kandhari	Relative of Director	-	90.16
- Vikas Enterprise	Relative of Director	-	63.78
- SS enterprise	HUF of relative of director	-	19.39
- Chahhat Kandhari	Relative of Director	-	18.31
- Estate of Krishna Kumar Kandhari	Estate of relative of Director	-	105.69
Dyeing and finishing			

(ii) Related Party Transactions (Contd.)

(₹ in lakhs)

Particulars	Relationship	31-March-2026	31-March-2025
- Khanna Dyeing Mills Pvt Ltd.	Entity in which director is substantially interestested	0.00	-
Embroidery expense			
- Friends embroidery	Entity in which director is substantially interestested	169.49	-
Professional fees			
- Mehak Gupta	Relative of Director	15.00	-

(iii) Related Party Balances

(₹ in lakhs)

Particulars	Relationship	31-March-2026	31-March-2025
Unsecured loan			
- Amit Kandhari	Director	343.36	356.09
- Sanjeev Kandhari	Director	128.33	167.68
Meeting remuneration payable			
- Priti Kandhari	Director	0.77	0.63
- Shelly Kandhari	Director	0.72	0.72
- Rahul Tondon	Independent Director	1.22	0.77
- Rajiv Arora	Independent Director	0.50	0.72
Rent payable			
- Priti Kandhari	Director	8.10	2.70
- Shelly Kandhari	Director	8.10	2.70
- Kandhari Textile Millls Private Ltd.	Associate Company	51.00	23.27
Incentive payable			
- Sahil Kandhari	Relative of Director	8.34	3.81
Salary payable			
- Sahil Kandhari	Relative of Director	1.10	1.50
- Sweety Ahuja	Relative of Director	0.55	0.50
- Devika Arora	Relative of Director	1.05	-
- Rubina Mahajan	Company secretary	0.25	-
Trade receivable			
- Sweety Ahuja	Relative of Director	0.59	0.55
- Khanna Dyeing Mills Pvt Ltd.	Entity in which director is substantially interestested	0.01	-
Trade payable			
- Radha Krishna (Trading Co)	Entity in which director is substantially interested	744.94	1,035.74
- Friends embroidery	Entity in which relative of director is sustantially interested	16.54	-
Brokerage payable			
- Manohar Lal Grover	Relative of Director	2.56	1.74
Directors Remuneration payable			
- Amit Kandhari	Director	66.74	37.88
- Sanjeev Kandhari	Director	74.51	45.64

33. RATIO ANALYSIS

(₹ in lakhs)

Particulars	Relationship	31-March-2026	31-March-2025	Change in %
(a) Current Ratio	Current Assets	3.36	1.78	88.73%
	Current Liabilities			
(b) Debt-Equity Ratio	Total Debts	0.21	0.80	-74.11%
	Shareholder's Equity			
(c) Debt Service Coverage Ratio	Earning available for Debt Service	1.74	4.20	-58.57%
	Debt Service			
(d) Return on Equity Ratio	Profit after Tax	20.96%	37.73%	-44.43%
	Average Shareholder's Equity			
(e) Inventory turnover ratio	Total Turnover	3.04	4.23	-27.98%
	Average Inventories			
(f) Trade receivables turnover ratio	Total Turnover	3.92	4.85	-19.24%
	Average Trade Receivable			
(g) Trade payables turnover ratio	Total Purchases	4.25	7.59	-43.99%
	Average Trade Payable			
(h) Net capital turnover ratio	Total Turnover	1.71	3.94	-56.48%
	Closing Working Capital			
(i) Net profit ratio	Net Profit	10.81%	10.20%	5.99%
	Total Turnover			
(j) Return on Capital employed	Earning before interest and taxes	18.91%	29.05%	-34.89%
	Capital Employed			
(k) Return on investment	Return on Investment	9.29%	0.00%	100.00%
	Total Investment			

Note:

Earning available for Debt Service = Net Profit before taxes + Non-cash operating expenses + Interest + other exceptional item.

Debt service = Interest & Lease Payments + Principal Repayments.

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability.

Cost of Goods Sold = Cost of Material Consumed + Purchases + Purchases + Changes in Inventories + Other Direct expenses.

Reasons for Variances

The improvement in the Current Ratio is primarily attributable to an increase in inventory levels and significant decline in short term borrowings.

The change in the Debt-to-Equity Ratio is due to increase in shareholders' equity resulting from the fresh issue of shares and due to decline in debt attributable to repayment of borrowing during the year.

The Debt Service Ratio decreased due to insignificant increase in earning available for debt service in comparison to debt service which declined sharply as principal repayments arose to 3 times as compared to last year.

The movement in Return on Equity (ROE) is primarily driven by a proportionately higher increase in the equity base, resulting from the fresh issue of shares, compared to the growth in Profit After Tax.

The Inventory Turnover Ratio decreased during the year owing to a significant rise in closing inventory, which outpaced the increase in Turnover.

The Trade payable turnover Ratio declined as there was an insignificant rise in purchase in comparison to trade payable which rose significantly due to extension of credit terms from supplier.

The reduction in the Net Capital Turnover Ratio is primarily attributable to a proportionately higher increase in closing working capital relative to the growth in turnover.

The decline in Return on Capital Employed is attributable to a substantial increase in capital employed, consequent to the augmentation of shareholders' funds through the issue of fresh shares at a premium.

Return on Investment (ROI) increased by 100% since no investments were made by the company last year however in the current year company invested in fixed deposits.

34. CSR EXPENDITURE

(₹ in lakhs)

Particulars	31-March-2026	31-March-2025
Amount required to be spent by the company during the year	30.72	19.18
Amount of expenditure incurred	30.00	20.00
Shortfall/(Excess) of the year	0.72	-0.82
Total of previous years shortfall/(excess)	**-38.46**	**-39.18**

Nature of CSR activities

The amount of CSR has been spent in various CSR activities such as welfare of women, poor, education and support to underprivilidged children and providing blood and filters to thalassemia patients.

35. OTHER STATUTORY DISCLOSURES AS PER THE COMPANIES ACT, 2013

(i) **Title deeds of Immovable Property:** There are no immovable property held by the company.

(ii) **Disclosure whether fair value of investment property is based on the valuation by a Registered Valuer:**The company does not have any investment property.

(iii) **Disclosure whether revaluation of Property, Plant and Equipment and Intangibles Assets is based on the valuation by a Registered Valuer:**The company has not revalued its Property, Plant and Equipment and Intangible Assets during Financial Year 2025-2026.

(iv) **Disclosures of loans or advances in the nature of loan granted to promoters, directors, KMPs, RPs:**The Company has not granted Loans or Advances in the nature of loan to any promoters, directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments during Financial Year 2025-2026.

(v) **Intangible Assets under Development:** The Company is not having Intangible Assets under Development during Financial Year 2025-2026.

(vi) **Details of Benami Property held:** The Company does not hold any benami property and no proceeding have been initiated on or are pending against the company for holding benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(viii) **Wilful Defaulter:** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(ix) **Relationship with Struck off Companies:** There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during Financial Year 2025-2026.

(x) **Registration of charges or satisfaction with Registrar of Companies beyond the statutory period:** There were no charge or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as at March 31 2026.

(xi) **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 during Financial Year 2025-2026.

(xii) **Compliance with approved Scheme(s) of Arrangements:** Not Applicable.

(xiii) **Utilisation of Borrowed funds and share premium:**

a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other persons or entities including foreign entities (intermeditaries) with the understanding (wheter recorded in writing or otherwise) that the intermediateries shall directly or inderectly lend or invest in other persons or entities identifed in any manner whatsoever by or on behalf of company (ultimate beneficiary) or provide any guarantee, security or the to or on behalf of the ultimate beneficiaries.

b) The Company has not recevied any fund from any other persons or entities including foreign entities (Funding parties) with the understanding (wheter recorded in writing or otherwise) that the company shall whether directly or inderectly lend or invest in other persons or entities identifed in any manner whatsoever by or on behalf of funding party (ultimate beneficiary) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(xiv) **Undisclosed Income:** During the year the Company has not disclosed or surrendered, any income other than the income recoginsed in the books of accounts in the tax assessments under Income Tax Act, 1961.

(xvi) **Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in Crypto or Virtual Currency during Financial Year 2025-2026.

36. REGROUPING

The previous year figures have been regrouped and reclassified wherever necessary to match the current year for comparison.

37. INITIAL PUBLIC OFFER

In order to unlock further potential and unleash greater value creation for all stakeholders, Company came up with IPO of its equity shares. The equity shares of the Company got listed on Stock Exchange with effect from August 05, 2025.

The IPO, comprising of Fresh Issue and Offer for Sale ("OFS") by selling shareholders, was open for subscription from July 29, 2025 to July 31, 2025. The IPO was made pursuant to Regulation 229 (2) of SEBI (ICDR) Regulations.

The IPO comprised of 38,78,400 equity shares at a price of ₹ 180/- per equity share (including a security premium of ₹ 170/- per equity share) aggregating to ₹ 6,981.12 Lakhs comprising a Fresh Issue of up to 31,99,200 equity shares aggregating to ₹ 5,758.56 Lakhs by Company and an Offer for Sale of up to 6,79,200 equity shares aggregating to ₹ 1,222.56 Lakhs by the Selling Shareholders.

Particulars	Object of the Issue	Utilised till 31-03-2026	Balance
Funding of working capital	3,000.00	3,000.00	0.00
Issue Expenses	823.91	822.73	1.18
Funding of Capital Expenditure towards Constuction of Sales Office	373.20	99.80	273.40
Funding of Capital Expenditure towards Constuction of additional warehouse facility	255.55	-	255.55
Funding of Capital Expenditure towards purchase of advanced processing system	501.00	501.00	-
General Corporate Expenses	804.90	588.12	216.78
Total	**5,758.56**	**5,011.65**	**746.91**

As per our report of even date

For SGUR & Co
Chartered Accountants

Sajeev Sud
Partner
Membership No.: 080396
UDIN: 26080396NXDVQH2423

Place: Amritsar
Date: 29-May-2026

For and on behalf of the Board of Kaytex Fabrics Limited

Amit Kandhari
Whole time Director
DIN: 01412828

Sanjeev Kandhari
Managing Director and Chairman
DIN: 01412837

CS Rubina Mahajan
Company Secretary
M No.: A56080

Place: Amritsar
Date: 29-May-2026

Kaytex Fabrics Limited

CIN: L18101PB1996PLC017639

Registered Office: After Suncity Turn,
Main Batala Road, Amritsar - 143 001

Contact No.: (Office) 7508177414,
(Work) 7508177066, (Landline) 0183-4009025

Email id: info@kaytexfabrics.com

Website: kaytexfabrics.com