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Vaghasia & Lakhani LLP

Chartered Accountants

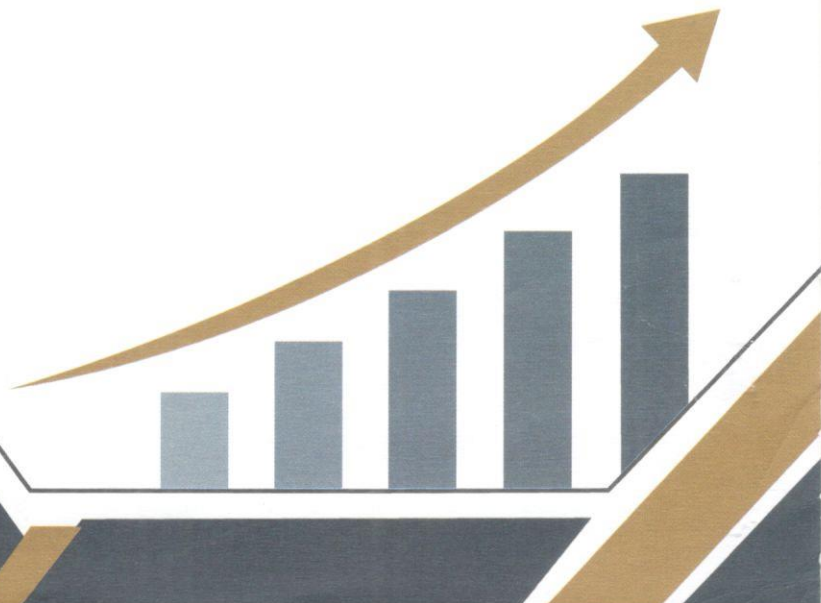
STATUTORY AUDIT REPORT

FY 2025-26

As per Companies Act, 2013

USHA COTTON LIMITED

Rajkot | Ahmedabad
Morbi | Junagadh



Vaghasia & Lakhani LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of
USHA COTTON LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion:

We have audited the accompanying Financial Statements of **Usha Cotton Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of the material accounting policies and other explanatory information (herein after 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 aforesaid Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (hereinafter referred to as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

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

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

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the Financial Statements and our auditor's reports thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report. 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 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 perform, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements:

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's management and 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

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

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

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

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

Other Matter:

The comparative financial information of the Company for the year ended March 31, 2025 and the transition date opening balance sheet as at December 23, 2024, being the date of incorporation of the company, included in these Financial Statements, have been adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. In our opinion, such adjustments are appropriate and have been properly applied.

The Financial Statements for the year ended March 31, 2025, audited by us, whose reports for dated September 5, 2025, prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended and the Companies (Accounting Standards) Rules, 2021 (Indian GAAP or previous GAAP) expressed an unmodified opinion on those Financial Statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matter stated in paragraph 1(i)(vi) below on reporting under Rule 11(g) of Companies (Audit Auditors) Rules, 2014.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to Financial Statements of the company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
- g) The remark relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 1(i)(vi) below on reporting under Rule 11(g) of Companies (Audit Auditors) Rules, 2014.
- h) As required by section 197(16) of the Act based on our audit, we report that the Company has not paid any remuneration to its directors during the year so no need to check the remuneration been paid is in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations on its financial position in its Standalone Financial Statements which would impact its Financial Position.

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required be transferred to the Investor Education Protection Fund by the Company during the year ended March 31, 2026. The question of delay in transferring such sums does not arise.
- (iv)(a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), which the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the year.
- (vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility for the financial year ended March 31, 2026 and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, we did not come across any instance of the audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure - B**", a statement on the matters specified in the paragraph 3 and 4 of the order.

For, Vaghasia & Lakhani LLP

Chartered Accountants

FRN: 134575W/W100138



Monika

CA Monika Vaghasia

Partner

MRN. 149637

UDIN:26149637VEGBZN5019

Place: Rajkot

Date : July 30, 2026

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

Management’s Responsibility for Internal Financial Controls:

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to Financial Statements based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor’s Responsibility:

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing

and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning Of Internal Financial Controls with Reference to Financial Statements:

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control with reference to Financial Statements include those policies and procedures that-

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with Reference to Financial Statements:

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

Opinion:

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

For, Vaghasia & Lakhani LLP

Chartered Accountants

FRN: 134575W/W100138



Monika

CA Monika Vaghasia

Partner

MRN. 149637

UDIN: 26149637VEGBZN5019

Place: Rajkot

Date: July 30, 2026

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of the Company

In terms of the information and explanations sought by us and given by the company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i)
 - a)
 - i) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
 - ii) As the Company does not hold any intangible assets, reporting under clause 3 (i) of the Order is not applicable.
 - b) The Property, Plant and Equipment and right-of-use assets have been physically verified by the Management during the year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies have been noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed /transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties, (other than immovable properties where the Company is lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the Financial Statements included under Property, Plant and Equipment and Capital Work-In-Progress are held in the name of the Company as at the balance sheet date.
 - d) The Company has not revalued any of Property, Plant and Equipment and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii)

- a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories as applicable, when compared with the books of account.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters except as under:

For the quarter Ended	Details of discrepancies			
	Nature of current asset	Amount (in lakhs)		
		Amount as per books of Account	Amount as reported in the Quarter end Statement	Amount of Difference Excess / (Short)
Jun-25	Inventory	865.21	1,145.21	280.00
	Trade Receivable	2,286.00	2,724.44	438.44
Sep-25	Inventory	1,078.95	1,078.95	0.00
	Trade Receivable	3,136.47	4,142.15	1,005.69
Dec-25	Inventory	909.51	1,244.37	334.86
	Trade Receivable	3,538.90	3,540.55	1.65
Mar-26	Inventory	1,304.90	1,404.90	100.00
	Trade Receivable	4,325.11	4,240.44	(87.67)

Reasons for differences were as under:

- As per information and explanation submitted to us by management; Company has submitted quarterly returns or statements comprising stock and creditors statement, book debt statement and other stipulated financial information during the year, with bank on the basis of unaudited/provisional Financial Statements/data. As per explanation & information given by the management, complete reconciliation of differences is under preparation, we are unable to give details of the

same. However, as per information & explanation given to us by the management of the company, at the end of the year there is no actual material discrepancies with the books of accounts, and the average difference is on account of valuation, provisions, etc.

- In respect of variation in value of inventory between quarterly statements and books of accounts which is mainly on account of variances in physical inventory verification or pricing which have been adjusted in value of inventory in books of accounts post submission of quarterly statements to the bank.
 - In respect of differences in value of eligible debtors or creditors, as per information and explanation submitted to us by management, difference in figures submitted in quarterly statements and value as per books of accounts are due to the statutory adjustments such as TDS/TCS or GST related adjustments or effect of other reconciled transactions which have been passed in books of accounts post submission of quarterly statements to the bank.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us and on the basis of our examination of the records, in respect of loans, investments, guarantees, and security, the company has not provided any loans, investments, guarantees and security to any director or his/her relative and hence provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- v) According to the information and explanations given to us and based on our examination of the books of account and records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder. Accordingly, the provisions of Clause 3(v) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- Further, no order has been passed against the Company by the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any court or any other tribunal in respect of deposits or amounts deemed to be deposits.
- vi) The company is not eligible for maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 in current year. Hence, reporting under clause (vi) of the Order is not applicable.

vii) According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Tax Deducted at Source, Professional Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Tax Deducted at Source, Professional Tax, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

- b) There are no statutory dues referred to in sub-clause (a) not deposited on account of dispute.

viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix)

- a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) To the best of our knowledge and belief, in our opinion, term loans availed by the company were applied by the company during the year for the purpose for which the loans were obtained.
- d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.
- f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) is not applicable.

x)

- a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi)

a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) To the best of our knowledge, no report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements, etc., as required by the applicable accounting standards.

xiv)

a) In our opinion and according to the information and explanations given to us, the Company is not required to have an internal audit system as per the provisions of the Companies Act, 2013.

b) As the Company does not have an internal audit system, the provisions of clause 3(xiv)(b) regarding consideration of internal audit reports are not applicable. Accordingly, no internal audit report has been received by us during the year.

xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi)

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a) of the Order is not applicable.

b) the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, reporting under Clause 3(xvi)(b) of the Order is not applicable.

- c) the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under Clause 3(xvi)(c) of the Order is not applicable.
- d) The group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditor of the company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) According to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company. Accordingly, the requirements of clause 3(xx)(a) of the Order are not applicable.
- xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

For, Vaghasia & Lakhani LLP

Chartered Accountants

FRN: 134575W/W100138



Monika

CA Monika Vaghasia

Partner

MRN. 149637

UDIN: 26149637VEGBZN5019

Place: Rajkot

Date: July 30, 2026

Usha Cotton Limited

CIN : U14101GJ2024PLC157297

Standalone Balance Sheet as at March 31, 2026

All amounts are in INR Lakhs unless otherwise specified

Particulars	Note No.	As at	
		March 31, 2026	March 31, 2025
A ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	7	1805.83	1764.90
(b) Right-of-use assets	8	1258.12	-
(c) Financial assets			
(i) Other financial assets	9	117.35	117.69
Total Non-Current Assets		3181.30	1882.59
(2) Current assets			
(a) Inventories	11	1304.90	678.34
(b) Financial assets			
(i) Trade receivables	12	4325.11	4727.27
(ii) Cash and cash equivalents	13	44.92	159.16
(iii) Other financial assets	9	9.65	6.08
(c) Current Tax Asset(Net)	29	38.10	8.61
(d) Other current assets	10	254.45	71.62
Total Current Assets		5977.14	5651.08
Total Assets		9158.44	7533.67
B EQUITY AND LIABILITIES			
I EQUITY			
(a) Equity share capital	14	50.00	50.00
(b) Other equity		1395.10	868.89
Total Equity		1445.10	918.89
II LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	184.29	463.10
(ii) Lease liabilities	16	1297.58	-
(b) Long Term Provisions	17	34.07	43.42
(c) Deferred tax Liabilities	29	132.30	47.59
Total Non-current liabilities		1648.23	554.11
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1673.85	1695.87
(ii) Lease liabilities	16	8.67	-
(iii) Trade payables	18		
(A) total outstanding dues of micro enterprises and small enterprises		7.60	210.01
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		4259.03	4079.55
(iv) Other financial liabilities	19	61.41	44.84
(b) Short Term Provisions	17	20.36	22.39
(c) Other current liabilities	20	34.17	8.00
Total Current Liabilities		6065.10	6060.67
Total Equity and Liabilities		9158.44	7533.67
Material Accounting Policies and Key Accounting Estimates and Judgements	1-5		
The accompanying notes are integral part of the financial statements	6-43		

As per our report of even date attached

For, Vaghasia & Lakhani LLP

Chartered Accountants

Firm Registration No. 134575W/W100138

Monika Vaghasia

CA Monika Vaghasia
Partner

Membership No. : 149637

Place: Rajkot

Date: 30.07.2026



For and on behalf of the Board of Directors

Usha Cotton Limited

Usha R. Malaviya

Rajesh Malaviya
Director

DIN: 08671847

Place: Rajkot

Date: 30.07.2026

Usha Malaviya
Director

DIN: 10882621

Place: Rajkot

Date: 30.07.2026

Usha Cotton Limited

CIN : U14101GJ2024PLC157297

Standalone Statement of Profit and Loss for the year ended March 31, 2026

All amounts are in INR Lakhs unless otherwise specified

Particulars		Note No.	For the year ended	
			March 31, 2026	March 31, 2025
I Income				
I Revenue from Operations	21		10,595.48	3,693.22
II Other Income	22		7.82	0.93
III Total Income (I+II)			10,603.30	3,694.15
IV Expenses				
a) Cost of materials consumed	23		6,391.56	3,077.68
b) Changes in Inventories of Stock-in-trade	24		(273.15)	(424.19)
c) Manufacturing Expense	25		2,453.17	565.86
d) Employee Benefit Expense	26		403.71	128.70
e) Finance costs	27		254.89	39.79
f) Depreciation and Amortisation Expense	7 & 8		160.12	21.57
g) Other Expenses	28		533.58	94.71
Total Expenses			9,923.88	3,504.12
Exceptional Items			-	-
V Profit Before Tax (III - IV)			679.42	190.03
VI Tax expense	29			
a) Current tax			94.20	-
b) Short Provision for earlier years			-	-
c) Deferred tax			78.23	45.10
Total Tax expense			172.44	45.10
VII Profit for the year (V - VII)			506.98	144.93
VIII Other comprehensive income (OCI)				
Items that will be reclassified to profit or loss			-	-
Items that will not be reclassified to profit or loss				
Remeasurement Gain / (Loss) on Defined Benefit Plans			25.70	9.90
Income tax impact on the above	29		(6.47)	(2.49)
Total other comprehensive income for the year, net of tax			19.23	7.41
IX Total Comprehensive Income for the year (VII + VIII)			526.21	152.34
X Earnings per Equity Share (Face value Rs. 10 per share)				
Basic EPS (in Rs.)	36		101.40	35.60
Diluted EPS (in Rs.)			101.40	35.60
Material Accounting Policies and Key Accounting Estimates and Judgements	1-5			
The accompanying notes are integral part of the financial statements	6-43			

As per our report of even date attached

For, Vaghasia & Lakhani LLP

Chartered Accountants

Firm Registration No. 134575W/W100138

CA Monika Vaghasia
Partner

Membership No. : 149637

Place: Rajkot

Date: 30.07.2026



For and on behalf of the Board of Directors

Usha Cotton Limited

Rajesh Malaviya
Director

DIN: 08671847

Place: Rajkot

Date: 30.07.2026

Usha Malaviya
Director

DIN: 10882621

Place: Rajkot

Date: 30.07.2026

Usha Cotton Limited

CIN : U14101GJ2024PLC157297

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

All amounts are in INR Lakhs unless otherwise specified

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Cash Flow From Operating Activities		
Profit before Taxes	679.42	190.03
Adjustments for:		
Depreciation and Amortisation	160.12	21.57
Finance Cost	254.89	39.79
Interest/Dividend received	(2.65)	(0.51)
Operating Profit Before Working Capital Changes	1,091.78	250.88
Changes in Current Assets and Current Liabilities		
(Increase) / Decrease in Trade Receivables	402.16	(4,727.27)
(Increase) / Decrease in Inventories	(626.56)	(678.34)
(Increase) / Decrease in other financial assets, other current assets and balance with banks other than cash and cash equivalents	(186.07)	(195.39)
Increase / (Decrease) in Trade and other Payable, provisions, other financial liabilities and other current liabilities	34.13	4,370.68
Cash (Generated From) Operations	715.44	(979.44)
Income Taxes paid	(123.69)	(8.61)
Net Cash Generated From Operating Activities (A)	591.75	(988.05)
Cash Flow from Investing Activities		
Purchase of PPE including Capital Work In Progress	(150.15)	(1,786.47)
Interest/Dividend received	2.65	0.51
Net Cash Generated From Investing Activities (B)	(147.49)	(1,785.96)
Cash Flow from Financing Activities		
Proceeds from issue of share capital	-	814.00
Availment/(Repayment) in Non-Current Borrowings (net)	(278.80)	463.10
Availment/(Repayment) in Current Borrowings (net)	(22.01)	1,695.87
Lease payment	(69.03)	-
Finance Cost excluding finance cost on lease liability	(188.64)	(39.79)
Net Cash Generated From Financing Activities (C)	(558.49)	2,933.17
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	(114.23)	159.16
Cash and Cash Equivalents at the beginning of the period	159.16	-
Unrealised Gain/(Loss) on foreign currency Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the end of the period	44.92	159.16



Usha Cotton Limited

CIN : U14101GJ2024PLC157297

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

All amounts are in INR Lakhs unless otherwise specified

Notes to Statement of Cash Flows

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind-As-7)- "Statement of Cash Flows".

(b) Figures in bracket indicates cash outflows.

(c) Cash and cash equivalent includes-

Particulars	As at	
	March 31, 2026	March 31, 2025
Cash and Cheques on Hand	19.21	51.42
Balances with Scheduled Banks		
in Current Accounts	11.33	107.74
in OD Account	14.38	-
Cash and Cash Equivalent in Cash Flow Statement	44.92	159.16

(d) Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended) :

Particulars	As at	
	March 31, 2026	March 31, 2025
Balance at beginning of period	2,158.96	-
Cash flow from financing activities		
Increase / (Decrease) in Non-Current Borrowings	(278.80)	463.10
Increase / (Decrease) in Current Borrowings	(22.01)	1,695.87
Lease payment	(69.03)	-
Finance Cost excluding finance cost on lease liab	(188.64)	(39.79)
Movement in lease liability	1,309.03	-
Non cash changes		
Finance Cost	254.89	39.79
Balance at end of period	3,164.39	2,158.96

As per our report of even date attached

For, Vaghasia & Lakhani LLP

Chartered Accountants

Firm Registration No. 134575W/W100138

CA Monika Vaghasia

Partner

Membership No. : 149637

Place: Rajkot

Date: 30.07.2026



For and on behalf of the Board of Directors

Usha Cotton Limited

Rajesh Malaviya

Director

DIN: 08671847

Place: Rajkot

Date: 30.07.2026

Usha Malaviya

Director

DIN: 10882621

Place: Rajkot

Date: 30.07.2026

Usha Cotton Limited
CIN : U14101GJ2024PLC157297
Statement of Changes in Equity for the year ended March 31, 2026
All amounts are in INR Lakhs unless otherwise specified

A. Equity Share Capital

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the reporting period	50.00	-
Changes in Equity Share capital during the period	-	50.00
Balance at the end of the reporting period	50.00	50.00

B. Other Equity

Particulars	Reserves & Surplus		Total Other Equity
	Securities Premium Reserve	Retained Earnings	
Balance as at December 23, 2024	-	-	-
Profit for the year	-	144.93	144.93
Premium on issue of equity shares net of issue expenses	764.00	-	764.00
Changes During the year	-	(47.45)	(47.45)
Re-measurement of defined benefit obligations	-	7.41	7.41
Balance as at March 31, 2025	764.00	104.89	868.89
Profit for the year	-	526.21	526.21
Premium on issue of equity shares net of issue expenses	-	-	-
Changes During the year	-	-	-
Re-measurement of defined benefit obligations	-	-	-
Balance as at March 31, 2026	764.00	631.10	1,395.10

Nature and purpose of reserves :

1. Securities Premium

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

2. Retained Earnings

Retained earnings represents the Company's undistributed earnings after taxes.

As per our report of even date attached

For, Vaghasia & Lakhani LLP
Chartered Accountants
Firm Registration No. 134575W/W100138

CA Monika Vaghasia
Partner
Membership No. : 149637
Place: Rajkot
Date: 30.07.2026



For and on behalf of the Board of Directors
Usha Cotton Limited

Rajesh Malaviya
Director
DIN: 08671847
Place: Rajkot
Date: 30.07.2026

Usha Malaviya
Director
DIN: 10882621
Place: Rajkot
Date: 30.07.2026

Usha Cotton Limited

CIN : U14101GJ2024PLC157297

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

All amounts are in INR Lakhs unless otherwise specified

1 Company overview

Usha Cotton Limited ('UCL' or 'the Company') is a public limited company incorporated in India having CIN U14101GJ2024PLC157297 incorporated on 23rd December 2024. The principal place of business of company is located at Revenue Survey No.635P1, Plot No.8-12, Champrajpur, Jetpur, Rajkot, Gujarat, India, 360370. The Company is in the business of Manufacturing, Trading and Job-work of Textile Products.

2 Basis of preparation of financial statements

2.1 Statement of compliances

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company's financial statements upto and for the year ended 31 March 2025 were prepared in accordance with the Companies (Accounting Standard) Rules, 2021 (as amended) notified under Section 133 of the Act and other provisions of the Act ('Indian GAAP' or 'Previous GAAP').

The Company has voluntarily adopted all the relevant Ind AS standards and the first time adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards w.e.f. 23.12.2024. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the Previous GAAP and an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 6.

2.2 Basis of measurement

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

2.3 Functional and presentation currency

These Financial Statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All the amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

2.4 Current/Non-Current Classification

All assets and liabilities are classified into current and non-current.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

3 Material Accounting Policies

3.1 Revenue Recognition

The Company derives revenues primarily from sale of textile products & textile jobwork. Company earns secondary income as Interest Income and power generation through its windmill facility as follow:

Sale of Textile Goods – Domestic

Revenue is recognized when significant risks and rewards of ownership are transferred to the buyer, generally on dispatch/delivery of goods in accordance with the terms of sale. Measured at transaction price, net of trade discounts, rebates, and Goods & Service Tax (GST).



Usha Cotton Limited

CIN : U14101GJ2024PLC157297

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

All amounts are in INR Lakhs unless otherwise specified

Job Work

Income from job work services is recognized on completion of services and raising of invoice, in accordance with the agreed terms of contract. Value is presented net of GST.

Other

Interest income is recognized on accrual basis, i.e., on recognized on a time-proportion basis in accordance with the Company's accounting policy.

3.2 Property, Plant and Equipment:

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price, borrowing cost if capitalization criteria are met and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost of assets not ready for its intended use as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Transition to Ind AS:

For transition to Ind AS, the Company has elected to measure its property, plant and equipment at its carrying value as at December 23, 2024 (transition date) as its deemed cost.

Depreciation:

Depreciation of PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of property, plant and equipment (other than capital work in progress) less their estimated residual value, using Straight Line Method (SLM) method over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.



Usha Cotton Limited

CIN : U14101GJ2024PLC157297

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

All amounts are in INR Lakhs unless otherwise specified

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

3.3 Intangible assets

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as intangible assets under development.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a weighted average basis over the period of their expected useful lives. Intangible assets acquired / purchased during the year are amortised on a pro-rata basis from the date on which such assets are ready to use.

The residual value, useful live and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.4 Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, and applicable exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

3.5 Impairment

Financial assets other than investments in subsidiary

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

Trade receivables are initially recognised at transaction value. Subsequently, these assets are held at amortised cost, less provision for impairment based on expected credit loss. For trade receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.



Usha Cotton Limited

CIN : U14101GJ2024PLC157297

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

All amounts are in INR Lakhs unless otherwise specified

Non-financial assets

Tangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.6 Lease

The Company's lease asset classes primarily consists of leases for office building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right-of-Use (ROU) Asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.7 Financial instruments

3.7.1 Initial recognition

The Company recognises Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition.



Usha Cotton Limited

CIN : U14101GJ2024PLC157297

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

All amounts are in INR Lakhs unless otherwise specified

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade receivable that do not contain significant financing component are measured at transaction price.

Regular purchase and sale of financial assets are accounted for at trade date.

3.7.2 Subsequent measurement

i Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. For such equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss. Fair value changes are recognised as other income in the Statement of Profit or Loss.

iv Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

v Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost in the Standalone Financial Statements.

3.7.3 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

3.7.4 Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

3.7.5 Off-setting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.8 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability



Usha Cotton Limited
CIN : U14101GJ2024PLC157297
Notes to Financial Statements for the year ended March 31, 2026
All amounts are in INR Lakhs unless otherwise specified

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.9 Inventories

Inventories are valued at the lower of cost and net realizable value, except for By-product & Waste which is valued at net realizable value.

Cost comprises of material costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), and expenditure incurred in normal course for freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads. Material cost is arrived at on weighted average basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of Inventories are valued on the following basis:

- a) Raw Materials - at Cost following Weighted Average Cost Method.
- b) Semi Finished Goods - at manufacturing cost plus allocated overheads.
- c) Finished Goods - at manufacturing cost plus allocated overheads.

3.10 Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in the Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

a Current Tax

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where Company has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



Usha Cotton Limited

CIN : U14101GJ2024PLC157297

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

All amounts are in INR Lakhs unless otherwise specified

b Deferred Tax

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where Company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.11 Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.12 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.13 Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only on occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. The Company does not recognize a contingent asset but discloses its existence in the financial statements.



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

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3.14 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

3.15 Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined contribution plans:

Contribution to Provident Fund, a defined contribution plan is charged to Statement of Profit and Loss.

Recognition and measurement of defined contribution plans:

The Company recognises contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period.

II. Defined benefit plans:

i Gratuity scheme:

Gratuity liability is provided under a defined benefit plan and covered by payment thereof to gratuity fund. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income.

Recognition and measurement of defined benefit plans:

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognised in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability / (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

Entitlements to annual leave are recognised when they accrue to employees. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognised in the Statement of Profit and Loss (including actuarial gain and loss).

3.16 Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.



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

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3.17 Earnings Per Share (EPS)

Basic Earnings Per Share is calculated by dividing the net profit attributable to the equity shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings Per Share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for the effects of all dilutive potential equity shares.

3.18 Government Grant

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognised as income/netted off with expenses on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is deducted from the cost of asset from the date when grant is received.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as government grant. The loan or assistance initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.19 Segment reporting

An operating segment is component of the Group that engages in the business activity from which the Group earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker (CODM), in deciding about resources to be allocated to the segment and assess its performance. The Board of Directors are considered to be the Chief Operating Decision Maker ('CODM') within the purview of Ind AS 108 - Operating Segments.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities"

4 Critical Accounting Judgments, Estimates, Assumptions and Key Sources of Estimation Uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Evaluation of indicators for impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.



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

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(b) Assumptions and Estimation Uncertainties

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

i Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

ii Defined Benefit Obligations

The cost of the defined benefit gratuity plan, the present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

iii Provisions and contingencies

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements.



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

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5 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

- (i) Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or noncurrent and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
- (ii) Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.
- (iii) Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has no impact of these amendments on its financial statements.



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

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6 Transition to IND AS - Reconciliation

The Company has voluntarily adopted Ind AS for the accounting year beginning from April 1, 2025 with a transition date of December 23, 2024 (Date of Incorporation). Accordingly, the financial statements for the year ended March 31, 2026 together with the comparative information for the year ended March 31, 2025 have been prepared in accordance with accounting policies as set out in Note 3 - Material accounting policies.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles.

- a Reconciliation of Balance Sheet as at March 31, 2025.
- b Reconciliation of Total Comprehensive Income for the year ended March 31, 2025.
- c Reconciliation of Equity as at March 31, 2025.
- d Reconciliation of Profit for the year ended March 31, 2025.
- e Adjustments to Statement of Cash flow
- f Notes on reconciliation

6.1 Exception availed

Estimates

Company's estimates in accordance with Ind AS as at the date of transition to Ind AS (December 23, 2024) are consistent with the estimates made for the same date as per Previous GAAP.

Classification of financial assets

The classification of financial assets to be measured at amortised cost is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

6.2 Exemptions availed

Deemed cost for property, plant and equipment

Company has elected to measure all its Property, Plant and Equipment at the Carrying Value as a deemed cost on the date of transition i.e. December 23, 2024.

6.3 Reconciliation between Previous GAAP and Ind AS

A. Reconciliation of Total Comprehensive Income for the year ended March 31, 2025

Nature of Adjustments	As at March 31, 2025
Net Profit as reported under Previous GAAP	156.63
Actuarial loss on defined benefit plan considered as other comprehensive income	(28.27)
Deferred Tax on Above Adjustments	16.56
Net Profit for the period as per Ind AS	144.93
Items that will not be reclassified to Profit or Loss	9.90
Income Tax relating to items that will not be reclassified to Profit or Loss	(2.49)
Total Comprehensive Income as per Ind As	152.34



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B. Reconciliation of Equity as previously reported under Previous GAAP to Ind AS

Nature of Adjustments	As at March 31, 2025
Equity as per Previous GAAP	970.63
Ind AS impact	
Treatment as per Gratuity	(65.81)
	(65.81)
Deferred Tax on Above Adjustments	14.07
Equity as per IND AS	918.89

6.4 Notes to reconciliations:-**a Reconciliation of statement of cash flows**

There are no material adjustments to the statement of cash flows as reported under Previous GAAP

b Notes to Reconciliations**1) Provision for Gratuity**

Under Ind AS 19 (Employee Benefits), gratuity is accounted for as a defined benefit plan. The net defined benefit liability (the present value of the obligation minus the fair value of any plan assets) is recognized directly in the balance sheet.

2) Recognition of Actuarial Gain / Loss

Actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under Previous GAAP.

3) Deferred tax:

The various transitional adjustments have led to temporary differences and accordingly, the Company has accounted for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of



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

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7 Property, Plant and Equipment

Particulars	Furniture & Fixtures	Electric Installations	Plant & Machinery	Windmill & Solar System	Computer & Software	Office Equipments	Vehicles	Total
Gross Carrying Amount								
As at December 23, 2024	-	-	-	-	-	-	-	-
Addition (Usha Cotton Print)	20.91	83.84	804.43	850.21	25.71	-	1.36	1,786.47
Deduction/Disposal	-	-	-	-	-	-	-	-
As at March 31, 2025	20.91	83.84	804.43	850.21	25.71	-	1.36	1,786.47
Addition	-	5.03	121.90	-	0.89	27.57	46.67	202.05
Deduction/Disposal (Refer 7.4)	15.31	36.60	-	-	-	-	-	51.91
As at March 31, 2026	5.60	52.27	926.33	850.21	26.60	27.57	48.03	1,936.61
Accumulated Depreciation								
As at December 23, 2024	-	-	-	-	-	-	-	-
Depreciation for the year	0.41	1.60	10.31	7.54	1.67	-	0.03	21.57
Deduction/Disposal	-	-	-	-	-	-	-	-
As at March 31, 2025	0.41	1.60	10.31	7.54	1.67	-	0.03	21.57
Depreciation for the year	0.53	3.19	55.66	36.71	8.27	5.04	0.81	110.23
Deduction/Disposal (Refer 7.4)	0.30	0.71	-	-	-	-	-	1.01
As at March 31, 2026	0.64	4.09	65.97	44.26	9.94	5.04	0.85	130.78
Net Carrying Amount								
As at December 23, 2024	-	-	-	-	-	-	-	-
As at March 31, 2025	20.51	82.23	794.12	842.66	24.05	-	1.33	1,764.90
As at March 31, 2026	4.96	48.18	860.36	805.95	16.66	22.53	47.18	1,805.83

7.1 Company has elected to measure all its property, plant and equipments at the previous GAAP carrying amount as its deemed cost on the date of transition i.e. December 23, 2024.

7.2 Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

7.3 Security of Assets : Refer to Note 15 on borrowings for details in terms of pledge of assets as security.

7.4 The deduction in assets during the financial year 2025-26 is primarily attributable to intra-head transfer and regrouping of assets undertaken for improved presentation and classification in the financial statements. Such transfers do not have any material impact on the total value of fixed assets of the entity. Effect of change in Rate of Depreciation is given in Statement of Profit and Loss of Current Financial Year.



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

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8 Right-of-use assets

No.	Particulars	Right-of-use assets
a	Gross carrying amount	
	Balance as at March 31, 2025	-
	Additions	1,309.03
	Deductions	-
	Balance as at March 31, 2026	1,309.03
b	Accumulated amortization	
	Balance as at March 31, 2025	-
	For the year	50.91
	Deductions	-
	Balance as at March 31, 2026	50.91
c	Net carrying amount	
	Balance as at March 31, 2025	-
	Balance as at March 31, 2026	1,258.12



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Note No.	Particulars	As at	
		March 31, 2026	March 31, 2025
9 Other Financial Assets			
9.1 Other Non-Current Financial Assets			
Security deposits		75.86	78.59
Fixed deposit (with original maturity of more than 12 months)		41.49	39.10
Total		117.35	117.69
9.2	Fixed Deposits offered as Bank gurantee	41.49	39.10
	Fixed deposit offered as security to bank/NBFC	-	-
9.3 Other Current Financial Assets		9.65	6.08
Total		9.65	6.08
10 Other assets			
10.1 Other current Assets			
Advances to Suppliers		18.13	6.91
Balance with Government Authorities		230.70	58.12
Prepaid Expenses		4.57	1.72
Advance to employees		1.05	4.87
Total		254.45	71.62
11 Inventories			
Raw Material		607.56	254.15
Work in Progress		186.08	244.96
Finished Goods		441.64	64.96
By Product		69.63	114.27
Total		1,304.90	678.34
12 Trade Receivables			
Current			
Trade Receivables considered good - Secured		-	-
Trade Receivables considered good - Unsecured		4,325.11	4,727.27
Trade Receivables - credit impaired		-	-
Less: Expected credit loss allowance		-	-
Total		4,325.11	4,727.27
12.1 Of the above, trade receivables from related parties are as below:			
Trade receivables (Refer Note No. 34)		3,420.12	4,150.67
Total		3,420.12	4,150.67

Trade Receivable Ageing Schedule
As at March 31, 2026

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 Months	6 months- 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	4,305.57	8.03	11.50			4,325.11
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-					-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Total	4,305.57	8.03	11.50	-	-	4,325.11
Less: Allowance for bad and doubtful						
(viii) Expected credit loss allowance - Undisputed Trade receivable	-	-	-	-	-	-
(ix) Expected credit loss allowance - Disputed Trade Receivable	-	-	-	-	-	-
Net Trade Receivables	4,305.57	8.03	11.50	-	-	4,325.11



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As at March 31, 2025

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 Months	6 months-1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	4,727.27	-	-	-	-	4,727.27
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Total	4,727.27	-	-	-	-	4,727.27
Less: Allowance for bad and doubtful						
(viii) Expected credit loss allowance - Undisputed Trade receivable	-	-	-	-	-	-
(ix) Expected credit loss allowance - Disputed Trade Receivable	-	-	-	-	-	-
Net Trade Receivables	4,727.27	-	-	-	-	4,727.27

13 Cash and cash equivalents

Cash on hand	19.21	51.42
Balance with banks		
In current accounts	11.33	107.74
In OD Accounts	14.38	-
Total	44.92	159.16

14 Equity Share Capital

14.1 Authorized :

7,00,000 (as at March 31, 2025 : 7,00,000 shares) Equity Shares of Rs. 10/- each	70.00	70.00
Total	70.00	70.00

Issued, subscribed and fully paid-Up

5,00,000 (as at March 31, 2025: 5,00,000) Equity Shares of Rs. 10/- each fully paid up	50.00	50.00
Total	50.00	50.00

14.2 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,00,000	50.00	-	-
Add: Issued during the year	-	-	5,00,000	50.00
Less: Deletion during the year	-	-	-	-
At the end of the year	5,00,000	50.00	5,00,000	50.00

14.3 Details of shareholders holding more than 5 per cent shares :

EQUITY SHARES:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares held	% of holding	No. of shares held	% of holding
Kian M Export Limited	5,00,000	100.00%	-	-
Rajeshbhai Parshotam Malaviya	-	-	25,000	5.00%
Ushaben Rajeshbhai Malaviya	-	-	4,25,000	85.00%
Parth Rajeshbhai Malaviya	-	-	44,970	8.99%



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14.4 Disclosures of Shareholding of Promoters - Shares held by the Promoters :

As at 31st March 2026

Promoter name	No. of Shares	% of total shares	% Change during the year
Rajeshbhai Parshotam Malaviya	1	0.00%	-5.00%
Ushaben Rajeshbhai Malaviya	1	0.00%	-85.00%
Parth Rajeshbhai Malaviya	1	0.00%	-1.00%
Darsh Rajeshbhai Malaviya	1	0.00%	-8.99%

As at 31st March 2025

Promoter name	No. of Shares	% of total shares	% Change during the year
Rajeshbhai Parshotam Malaviya	25,000	5.00%	0.00%
Ushaben Rajeshbhai Malaviya	4,25,000	85.00%	0.00%
Parth Rajeshbhai Malaviya	5,000	1.00%	0.00%
Darsh Rajeshbhai Malaviya	44,970	8.99%	0.00%

14.5 Terms/Rights attached to Equity Shares

The Company has equity shares having a par value of Rs.10/- per share. Each holder of Equity Shares is entitled to one vote per share and the dividend, if proposed by the Board of Directors and approved by the Shareholders in the ensuring Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares shall be entitled to receive proportionately, any of the remaining assets of the Company after distribution of all preferential amounts.

15	Borrowings		
15.1	Non-Current Borrowings		
	Term loan - secured		
	From Banks	389.12	521.22
		389.12	521.22
	Term loan - Unsecured		
	From Banks	97.78	207.24
	From NBFCs	26.28	119.19
		124.06	326.43
	Less: Disclosed as "Current Maturities of Long term borrowings"	(328.89)	(384.55)
	Total Non-Current Borrowings	184.29	463.10
15.2	Current Borrowings		
	Secured - at amortised cost		
	Overdraft Facility from banks	1,208.47	995.03
		1,208.47	995.03
	Unsecured - at amortised cost		
	From Director's	122.34	316.28
	Bank Book Overdraft	14.14	-
		136.49	316.28
	Current Maturities of Long term borrowings	328.89	384.55
	Total Current Borrowings	1,673.85	1,695.87



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

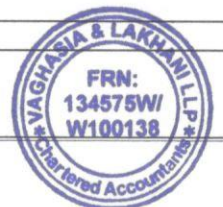
All amounts are in INR Lakhs unless otherwise specified

15.3 Details of the security :

Non-Current Borrowings

A. Secured Loans

Loan from banks/others	Nature of Loan	Sanctioned Limit	ROI	Security
HDFC Bank	Cash Credit	1000.00	8.75%	R S No 635 P 1 To 6 Malaviya Udhynagar Nrom Way Bridge Champrajpur Road Plot No 1 Jetpr Jetpur Gujarat 360370
				R S No 635 P 1 To6 Malaviya Udhynagar Nr Om Way Bridge Chaprajpur Road Plot No 2 Jetpur Jetpur Gujarat 360370
				Rs No. 5/1 Paiki Junagadh Road Plot No. 2, Cs No. 7828/4 Opp. Bosamiya College Jetpur Gujarat 360370
				Om Decora Cs No 2231/kh/1 Paiki Office No A 1001 And A1002 Nr Silver Heights 9 Square Tenth Floor Rajkot Gujarat 360001
				Plot No. 20 Bh Aum Weighbridge Malaviya Udhynagar Champrajpur Road Jetpur Gujarat 360375
	Term Loan	319.09	8.75%	R S No. 635 Paiki 1, Plot No. 8 Opp. Trilok Print Near Madhav Weigh Bridge Near Madhav Weigh Bridge Jetpur Gujarat 360370
				R S No. 635 Paiki 1, Plot No. 16 Opp. Trilok Print Near Madhav Weigh Bridge Off Jetpur Visavadar Road Jetpur Gujarat 360370
				R S No. 635 Paiki 1, Plot No. 17 Opp. Trilok Print Near Madhav Weigh Bridge Off Jetpur Visavadar Road Jetpur Gujarat 360370
				R S No. 635 Paiki 1, Plot No. 15 Opp. Trilok Print Near Madhav Weigh Bridge Near Madhav Weigh Bridge Jetpur Gujarat 360370
				R S No. 635 Paiki 1, Plot No. 9 Opp. Trilok Print Near Madhav Weigh Bridge Near Madhav Weigh Bridge Jetpur Gujarat 360370
	Term Loan	60.96	8.75%	Sur No 634 1 P Plot No 4 Champrajpur Road Bh Om Way Bridge Jetpur Jetpur Gujarat 360370
				Rs No 635 P 1 To 6 Nrom Way Bridge Champrajpur Road Plot No 23 Malaviya Udhynagar Jetpur Jetpur Gujarat 360370
				Rsno 635 P 1 To 6 Champrajpur Road Plot No 22 Malaviya Udhynagar Nr Om Way Bridge Jetpur Jetpur Gujarat 360370
				Rs No 635p 1 To 6 Pt 21 Udhynagar Nr.om Way Bridge Champrajpur Road Malaviya Jetpur Jetpur Gujarat 360370
				Sur No 634 1 P Plot No 3 Champrajpur Road Bh Om Way Bridge Jetpur Jetpur Gujarat 360370
	Term Loan	48.40	8.75%	S No. 55/p Amarnagar Road,bhakti,radhe Park Nr Jetpur City Mall Plot No.13, Sheet No.101, City Survey No.8501/6 Near Shreeji School Jetpur Jetpur Gujarat 360370
				R S No 634 1 P Champrajpur Road Plot No 21 Subplot No 21 A B H Om Way Bridge Jetpur Jetpur Gujarat 360370
				Rs No 635p 1 To 6 Malaviya Udhynagar Nrom Way Bridge Champrajpur Road, Plot No 5 Jetpur Jetpur Gujarat 360370
				R S No.635/p Behind Shiv Bio Fuel, Nr Om Weigh Bridge Plot No 13 And 14 Malaviya Udhynagar Champrajpur Road Jetpur Jetpur Gujarat 360370
				R S No 635 P 1 To 6 Malaviya Udhynagar Nr Om Way Bridge Champrajpur Road Plot No 3 Jetpur Jetpur Gujarat 360370
	Term Loan	32.67	8.75%	Plot No. 1 Morbi Road, Near Avadh Green Party Plot Rev. Survey No. 208/p-2, Sub Plot No. 1-a, 1-b, 1-c Near Avadh Green Party Plot Rajkot Gujarat 360001
				R. S. No. 635 Paiki 1 Champrajpur Road Plot No. 04, B/h Om Weigh Bridge Jetpur Gujarat 360370
				R. S. No. 635 Paiki 1 Champrajpur Road Plot No. 06 B/h Om Weigh Bridge Jetpur Gujarat 360370
				R. S. No. 635 Paiki 1 Champrajpur Road Plot No. 19 B/h Om Weigh Bridge Jetpur Gujarat 360370
				R. S. No. 635 Paiki 1 Champrajpur Road Plot No. 18 B/h Om Weigh Bridge Jetpur Gujarat 360370
Bank of Baroda Bank	Vehicle Loan	19.47	8.86%	R. S. No. 635 Paiki 1 Champrajpur Road Plot No. 07 B/h Om Weigh Bridge Jetpur Gujarat 360370
				R.s. No.635/p 1to 6 Behind Shiv Bio Fuel, Nr Om Weigh Bridge Plot No.11, Malaviya Udhynagar Champrajpur Road Jetpur Jetpur Plot No. 10 Bh Aum Weighbridge Malaviya Udhynagar Champrajpur Road Jetpur Gujarat 360370
				Plot No. 12 Bh Aum Wighbridge Malaviya Udhynagar Champrajpur Road Jetpur Gujarat 360375
	Vehicle Loan	16.59	10.88%	Hypothecation over vehicle



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B. Unsecured Loans

Loan from others	Nature of Facility Provided	Tenure (in Months)
Poonawala Fincorp Limited	Business Loan	36
FED Bank Financial Services Limited	Business Loan	36
YES Bank	Business Loan	36
IDFC Bank	Business Loan	36
MAS Financial Services Limited	SME Loan	36
Axis Bank	Business Loan	36
ICICI Bank	Personal Loan	36

C. Current Borrowings

Loan from banks/others	Nature of Facility	Sanctioned Limit	ROI	Security
HDFC Bank	Cash Credit	1000	8.75%	As mentioned above in note A

D. Guarantor Details

Loan from banks/FI	Guarantor
HDFC Bank	Sureshkumar P. Malviya Parsotambhai M. Malaviya Hareshbhai P. Malaviya
Poonawala Fincorp Limited	Ushaben R. Malaviya Rajeshbhai P. Malaviya

15.4 The quarterly statements comprising (stock statements and book debt statements) filed by the Company with such banks or financial institutions verified with the unaudited books of account of the Company, of the respective quarters and following discrepancies have been observed for each quarter:

For the quarter Ended	Sanctioned amount to which discrepancy relates	Details of discrepancies				Reason for differences as explained by the management
		Nature of current asset	Amount (in lakhs)			
			As per Statements filed with lenders	As per audited books of account	Difference	
30.06.2025	1,000.00	Inventory	1,145.21	865.21	280.00	Difference due to adjustment in inventory valuation and regroupings of trade receivables
		Trade Receivable	2,724.44	2,286.00	438.43	
30.09.2025	1,000.00	Inventory	1,078.95	1,078.95	-	Difference due to adjustment in inventory valuation and regroupings of trade receivables
		Trade Receivable	4,142.15	3,136.47	1,005.68	
31.12.2025	1,000.00	Inventory	1,244.37	909.51	334.85	Difference due to adjustment in inventory valuation and regroupings of trade receivables
		Trade Receivable	3,540.55	3,538.90	1.65	
31.03.2026	1,000.00	Inventory	1,404.90	1,304.90	100.00	Difference due to adjustment in inventory valuation and regroupings of trade receivables
		Trade Receivable	4,240.44	4,325.11	(84.67)	



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16	Lease Liabilities*					
	Non-Current Lease liabilities	1,297.58	-			
	Current Lease liabilities	8.67	-			
	*Refer Note No. 39	1,306.25	-			
17	Provisions					
17.1	Non-Current					
	Provision for Gratuity (Refer Note No. 26 Cont.)	34.07	43.42			
	Total Non-Current Provisions	34.07	43.42			
17.2	Current					
	Provision for Gratuity (Refer Note No. 26 Cont.)	20.36	22.39			
	Total Current Provisions	20.36	22.39			
18	Trade Payables					
18.1	Current					
	Total outstanding dues of micro enterprises and small enterprises -					
	Outstanding dues of micro enterprises and small enterprises	7.60	210.01			
	Total outstanding dues of creditors other than micro enterprises and small enterprises:-					
	Outstanding dues of creditors other than micro enterprises and small enterprises	4,259.03	4,079.55			
	Unbilled dues	-	-			
	Total Trade Payables	4,266.63	4,289.56			
18.2	Trade Payable ageing schedule:					
	As at March 31, 2026					
		Outstanding for following period from due date of payment				
	Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
	(i) MSME	7.60	-	-	-	7.60
	(ii) Others	4,238.93	20.10	-	-	4,259.03
	(iii) Disputed dues - MSME	-	-	-	-	-
	(iv) Disputed dues -Others	-	-	-	-	-
	Total	4,246.53	20.10	-	-	4,266.63
	As at March 31, 2025					
		Outstanding for following period from due date of payment				
	Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
	(i) MSME	210.01	-	-	-	210.01
	(ii) Others	4,079.55	-	-	-	4,079.55
	(iii) Disputed dues - MSME	-	-	-	-	-
	(iv) Disputed dues -Others	-	-	-	-	-
	Total	4,289.56	-	-	-	4,289.56
18.3	Disclosure in respect of Micro and Small Enterprises :					
Sr No	Particulars	As at	As at			
		March 31, 2026	March 31, 2025			
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.					
	Principal amount due to micro and small enterprise	7.60	210.01			
	Interest due on above	-	-			
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-			
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Development Enterprises Act, 2006	-	-			
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-			
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-			
	Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.					
19	Other financial liabilities					
	Current					
	Payable to Employees	48.15	28.21			
	Other current Financial Liabilities	13.26	16.63			
	Total	61.41	44.84			



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20	Other liabilities		
	Current		
	Statutory Dues	31.48	5.58
	Advances received from customers	2.69	2.43
	Total	34.17	8.00



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Note No.	Particulars	For the year ended	
		March 31, 2026	March 31, 2025
21	Revenue From Contract with Customers		
	Domestic Sales	4,033.87	3,416.15
	Revenue from Jobwork	6,561.61	277.07
	Total Revenue from Operations	10,595.48	3,693.22
21.1	A. Revenue from contracts with customers disaggregated based on Geography		
	Domestic	10,595.48	3,693.22
	Exports	-	-
	Revenue from contracts with customer	10,595.48	3,693.22
22	Other Income		
	Interest Income on fixed deposits	2.65	0.51
	Interest from PGVCL Deposit	3.65	0.42
	Interest from IT Refund	0.47	-
	Miscellaneous Income	1.05	-
	Total	7.82	0.93
23	Cost of materials consumed		
	Raw Materials		
	Opening stock of raw materials	254.15	-
	Add: Purchases of raw materials	6,414.99	2,493.07
	Add: Transfer of Stock under Slump Sale	-	779.45
	Less: Closing stock of raw materials	607.56	254.15
	Total (a)	6,061.58	3,018.37
	Packing Materials, Stores & Spares		
	Opening stock	-	-
	Add: Domestic Purchase	329.97	59.32
	Less: Closing stock	-	-
	Total (b)	329.97	59.32
	Total (A+B)	6,391.56	3,077.68
24	Changes in Inventories of stock-in-trade		
	A. Inventories at the end of the year:		
	Work-In-Progress	186.08	244.96
	Finished Goods	441.64	64.96
	By Product	69.63	114.27
	B. Inventories at the beginning of the year:		
	Work-In-Progress	244.96	-
	Finished Goods	64.96	-
	By Product	114.27	-
	Total changes in inventories of work in progress (B-A)	(273.15)	(424.19)
25	Manufacturing Expenses		
	Coating Expenses	10.42	2.09
	Designing Expense	294.90	51.33
	Factory Expense	3.21	1.68
	Jobwork Expense	216.11	86.78
	Machinery Operating Charges	105.37	23.51
	Labour Charges Expense	1,267.56	291.78
	Power & Fuel Expense	197.55	62.79
	Transportation Expense	274.19	45.22
	Water Expense	5.91	0.32
	Other Production Expense	77.95	0.36
	Total	2,453.17	565.86



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Note No.	Particulars	For the year ended	
		March 31, 2026	March 31, 2025
25.1	Breakup of Power & Fuel Expense		
	Power & Fuel Expense	425.74	128.17
	Less: Windmill Power Generation Income	(228.19)	(65.39)
	Net Power & Fuel Expense	197.55	62.79
26	Employee Benefits Expense		
	Salaries and Bonus	373.61	98.87
	Director's Remuneration	-	-
	Contribution to Provident Funds and Other Funds	17.18	26.48
	Staff Welfare Expenses	12.92	3.36
	Total	403.71	128.70
27	Finance costs		
	Interest Expense		
	- To Banks	153.32	34.29
	- To NBFCs	9.82	3.42
	- On Lease Liability	66.25	-
	Other borrowing costs	25.50	2.08
	Total	254.89	39.79
28	Other expenses		
	Audit Fees	1.25	1.00
	Donation Expense	6.00	-
	Commission Expense	39.36	25.09
	Energy Cost	36.62	6.01
	Sales Promotion Expenses	22.83	-
	Generator Expense	11.90	2.84
	Repairs & Maintenance Expense	206.32	19.38
	Insurance Expense	5.33	0.24
	Interest on Late Payment	17.10	-
	Interest Cost on Gratuity	3.55	2.83
	Legal & Professional Fees	60.21	9.29
	Vehicle Expense	41.80	8.85
	Postage & Courier Expense	2.08	0.43
	Rent Expense	53.39	10.83
	Security Expense	10.60	4.17
	Software Renewal Charges	1.30	1.62
	Stationery Expense	4.07	0.92
	Miscellaneous Expenses	9.88	1.22
	Total	533.58	94.71
28.1	Break-up of Auditor's Remuneration:		
	Fees for Statutory Audit	1.25	1.00
	Total	1.25	1.00



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26.1 Employee benefit Expense (CONTD..)

Post-employment benefits :

The Company has the following post-employment benefit plans:

26.2 Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. Details of amount recognized as expenses during the year for the defined contribution plans is as below:

Particulars	2025-26	2024-25
Employer's Contribution to Provident Fund	6.41	1.05

26.3 Defined benefit gratuity plan

Information about the characteristics of defined benefit plan

The benefits are governed by the Payment of Gratuity Act, 1972 or company scheme rules, whichever is higher. The Key features are as under:

Features of the defined benefit plan	Remarks
Type of Plan	Post Employment Benefit
Employee's Contribution	0%
Employer's Contribution	100%
Salary definition	Last Drawn Qualifying Wages
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death/disability)
Benefit on Retirement	$15/26 \times \text{Salary} \times \text{Duration of Service}$
Benefit on	Same as Retirement Benefit based on service up to exit
Benefit on Death	Same as Retirement Benefit but no vesting Condition applies
Retirement age	60 Years for Regular Employees & as per Contract Term for FTEs if any

26.4 Risk to the Plan

Gratuity is a defined benefit plan and Company is exposed to the Following Risks:

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation.

26.5 Amount recognised in Balance Sheet

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity:		
Present value of unfunded obligations	54.43	65.81
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	54.43	65.81
Unfunded plans	-	-
Net plan Liability/ (Asset)	54.43	65.81



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

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26.6 Reconciliation of defined benefit obligations

Particulars	As at March 31, 2026	As at March 31, 2025
Defined benefit obligations as at beginning of the year	65.81	47.45
Current service cost	10.77	25.43
Prior service cost	-	-
Interest cost	3.55	2.83
Components of actuarial gain/losses on obligations:		
- Actuarial Loss/(Gain) due to change in financial assumptions	(0.46)	1.34
- Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
- Actuarial Loss/(Gain) due to experience adjustments	(25.24)	(11.24)
Benefits paid from the fund	-	-
Benefits paid directly by the Company	-	-
Defined benefit obligations as at end of the year	54.43	65.81

26.7 Reconciliation of Plan Asset

Particulars	As at March 31, 2026	As at March 31, 2025
Plan Asset as at beginning of the year	-	-
Interest Income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Contribution paid by employer	-	-
Benefits paid	-	-
Plan Asset as at end of the year	-	-

26.8 Net amount Charged to Statement of Profit or Loss for the period

Particulars	2025-26	2024-25
Current service cost	10.77	25.43
Net Interest cost	3.55	2.83
Past Service Cost	-	-
Net amount recognised	14.32	28.27

26.9 Other Comprehensive income for the period

Particulars	2025-26	2024-25
Components of actuarial gain/(losses) on obligations:		
Due to Change in financial assumptions	0.46	(1.34)
Due to change in demographic assumption	-	-
Due to experience adjustments	25.24	11.24
Return on plan assets excluding amounts included in interest income	-	-
Amounts recognized in Other Comprehensive Income	25.70	9.90

26.10 Break up of Plan Assets

Particulars	As at March 31, 2026	As at March 31, 2025
GRATUITY:		
Insurance fund	-	-
TOTAL	-	-

26.11 Actuarial Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
GRATUITY:		
Discount Rate	6.83%	6.50%
Salary Escalation Rate	7.00%	8.00%
Withdrawal Rates	Age 25 & Below : 30 % 25 to 35 : 25 % 35 to 45 : 25 % 45 to 55 : 20 % 55 & above : 20 %	Age 25 & Below : 30 % 25 to 35 : 25 % 35 to 45 : 25 % 45 to 55 : 20 % 55 & above : 20 %



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26.12 Sensitivity Analysis

As at March 31, 2026	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in assumption		Decrease in assumption	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount rate	0.50%	0.50%	53,51,898	-1.67%	55,37,614	1.74%
Salary growth rate	0.50%	0.50%	55,35,624	1.70%	53,52,784	-1.66%
Withdrawal rate (W.R.)	10.00%	10.00%	53,90,360	-0.97%	55,00,629	1.06%

As at March 31, 2025	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in assumption		Decrease in assumption	
	%	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Discount rate	0.50%	0.50%	64,84,933	-1.5%	66,80,600	1.51%
Salary growth rate	0.50%	0.50%	66,78,477	1.48%	64,85,951	-1.44%
Withdrawal rate (W.R.)	10.00%	10.00%	65,26,974	-0.82%	66,40,784	0.91%

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the inter relationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Expected cashflows based on past service liability after year end 31st March, 2026 as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
GRATUITY		
1st Year	13.03	22.39
2nd Year	10.50	10.77
3rd Year	9.94	9.80
4th Year	7.07	8.34
5th Year	6.85	6.74
Sum of Years 6 to 10	16.05	16.69



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29 Income Tax Expenses

29.1 Tax Expense recognised in the Statement of Profit & Loss

Particulars	For the Year Ended	
	March 31, 2026	March 31, 2025
Current Tax Expenses		
Current tax on profits for the year	94.20	-
Adjustments for the current tax of prior periods	-	-
Total Current Tax Expenses(A)	94.20	-
Deferred Tax	78.23	45.10
Total Deferred Tax expense/(income)(B)	78.23	45.10
Income Tax Expenses(A+B)	172.44	45.10
Tax Items of Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year:	(6.47)	(2.49)
Income tax related to items that will not be reclassified to profit or loss	-	-
Income tax related to items that will be reclassified to profit or loss	-	-
Income tax charged to OCI	(6.47)	(2.49)

29.2 The details of income tax assets and liabilities and Deferred tax liabilities :

Particulars	As at	
	March 31, 2026	March 31, 2025
Income tax assets - Current (Gross)	8.61	-
Income tax liabilities - Current (Gross)	-	-
Net income tax liabilities / (asset)- Current (Net)	(8.61)	-
Deferred tax liabilities / (assets)	132.30	47.59

29.3 Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income tax is summarized below:

Particulars	For the Year Ended	
	March 31, 2026	March 31, 2025
Accounting profit before tax	679.42	190.03
Normal tax rate	25.17%	25.17%
Tax liability / (asset) of accounting profit	171.00	47.83
Exempted income / Expenses Allowed as per Income Tax Act	(114.97)	(60.48)
Expenses disallowed	29.07	5.54
Tax effect on Ind AS impact	15.72	7.11
Adjustment in respect of current tax of earlier years	-	-
Deferred tax expense / (income)	78.23	45.10
Others (B/F Loss / Unabsorbed Depreciation)	(6.61)	-
Income tax expenses as per normal tax rate	172.44	45.10

(iv) Deferred Tax (Net)

Particulars	As at	
	March 31, 2026	March 31, 2025
Deferred Tax Liabilities		
Property, plant and equipment - difference between value of assets as per book base and tax base	149.15	61.66
Effect of remeasurement benefit	8.96	2.49
Total Deferred Tax Liabilities (A)	158.11	64.16
Deferred Tax Assets		
Treatment as per lease	12.11	-
Provision for Gratuity	13.70	16.56
Total Deferred Tax Assets (B)	25.81	16.56
Net Deferred Tax Liabilities / (Assets) (A-B)	132.30	47.59

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



Notes to Financial Statements for the year ended March 31, 2026
All amounts are in INR Lakhs unless otherwise specified

30 Financial Instruments

30.1 Disclosure of Financial Instruments by Category

As at March 31, 2026

Particulars	Note No.	FVTPL	FVTOCI	Amortized cost	Total carrying value	Fair value
Financial assets						
Other financial assets	9	-	-	127.00	127.00	127.00
Trade receivables	12	-	-	4,325.11	4,325.11	4,325.11
Cash and cash equivalents	13	-	-	44.92	44.92	44.92
Total Financial assets		-	-	4,497.04	4,497.04	4,497.04
Financial liabilities						
Borrowings	15	-	-	1,858.15	1,858.15	1,858.15
Trade Payable	18	-	-	4,266.63	4,266.63	4,266.63
Lease liabilities	16	-	-	1,306.25	1,306.25	1,306.25
Other financial liabilities	19	-	-	61.41	61.41	61.41
Total Financial liabilities		-	-	7,492.44	7,492.44	7,492.44

As at March 31, 2025

Particulars	Note No.	FVTPL	FVTOCI	Amortized cost	Total carrying value	Fair value
Financial assets						
Other financial assets	9	-	-	123.77	123.77	123.77
Trade receivables	12	-	-	4,727.27	4,727.27	4,727.27
Cash and cash equivalents	13	-	-	159.16	159.16	159.16
Total Financial assets		-	-	5,010.20	5,010.20	5,010.20
Financial liabilities						
Borrowings	15	-	-	2,158.96	2,158.96	2,158.96
Trade Payable	18	-	-	4,289.56	4,289.56	4,289.56
Other financial liabilities	19	-	-	44.84	44.84	44.84
Total Financial liabilities		-	-	6,493.37	6,493.37	6,493.37



Usha Cotton Limited

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

All amounts are in INR Lakhs unless otherwise specified

31 Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilities

- 31.1** The Fair value of current financial assets and financial liabilities measured at amortised cost, are considered to be the same as their carrying amount as they are of short term nature. Hence fair value hierarchy is not given for the same.
- 31.2** The carrying amount of non - current financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled. Hence, fair value hierarchy is not given for the same.
- 31.3** There are no transfer between level 1, level 2 and level 3 during the year.



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

All amounts are in INR Lakhs unless otherwise specified

32 Financial risk management

The Company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors identify and analyze the risks faced by the Company and also monitor and review the same periodically to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business and through regular monitoring of conduct of accounts.

Trade receivables

The Company's customers comprise of listed and unlisted other entities. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no provision considered.

Ageing of Account Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Less than 6 months	4,305.57	4,727.27
6 months-1 year	8.03	-
1-2 Years	11.50	-
2-3 Years	-	-
More than 3 years	-	-
Total	4,325.11	4,727.27

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves periodic reviews of cash flow projections and considering the level of liquid assets necessary, monitoring balance sheet, liquidity ratios against internal and external regulatory requirements.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2026	Carrying amount	Contractual maturities		
		Less than 1 year	More than 1 year	Total
Non-current borrowing (including current maturities)	513.19	328.89	184.29	513.19
Current Borrowings	1,344.96	1,344.96	-	1,344.96
Trade Payable	4,266.63	4,246.53	20.10	4,266.63
Other financial liabilities	61.41	61.41	-	61.41
Total	6,186.19	5,981.80	204.40	6,186.19



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

All amounts are in INR Lakhs unless otherwise specified

As at March 31, 2025	Carrying amount	Contractual maturities		
		Less than 1 year	More than 1 year	Total
Non-current borrowing (including current maturities)	847.65	384.55	463.10	847.65
Current Borrowings	1,311.31	1,311.31	-	1,311.31
Trade Payable	4,289.56	4,289.56	-	4,289.56
Other financial liabilities	44.84	44.84	-	44.84
Total	6,493.37	6,030.28	463.10	6,493.37

(iii) Market risk

Market risk is the risk that changes in market prices – such as currency risk, other price risk and interest rate risk – will affect the Company's income or the value of its holdings of financial instruments.

a. Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company has no investment in equity instruments, therefore the Company has no other price risk.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on long term floating rate borrowings. The borrowings of the Company are principally denominated in Indian Rupees with floating rate of interest.

Variable-rate instruments	As at March 31, 2026	As at March 31, 2025
Short term borrowings	1,344.96	1,311.31
Non-Current - Borrowings	184.29	463.10
Current portion of Long term borrowings	328.89	384.55
Total	1,858.15	2,158.96

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

The sensitivity analysis below have been determined based on exposure to interest rates for borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of borrowings that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

A change of 50 bps in interest rates would have following impact on profit before tax:

Particulars	For the Year Ended	
	March 31, 2026	March 31, 2025
50 bp increase would decrease the profit before tax by	9.29	10.79
50 bp decrease would Increase the profit before tax by	(9.29)	(10.79)



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33 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the company's capital management is to maximise the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's capital structure includes debt and is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, including interest-bearing loans and borrowings less cash and cash equivalents and other bank balances. Adjusted equity comprises all components of equity except hedge reserve.

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

Particulars	As at March 31, 2026	As at March 31, 2025
Total borrowings including lease liabilities	3,164.39	2,158.96
Less: Cash and cash equivalents	44.92	159.16
Adjusted Net Debt	3,119.47	1,999.80
Total equity	1,445.10	918.89
Less : Hedging reserve	-	-
Adjusted equity	1,445.10	918.89
Adjusted net debt to adjusted equity ratio	2.16	2.18



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

All amounts are in INR Lakhs unless otherwise specified

34 Related Party Disclosures**34.1 Names of related parties and nature of relationship**

Sr. No.	Nature of Relationship	Name of the Related Parties
1	Parent Company Kian-M Export Limited (Formerly known as Kian-M Export Pvt Ltd)	100% Holding w.e.f. 19 January, 2026
2	Key Management Personnel Director of Kian-M Export Limited Director of Kian-M Export Limited Director Company Secretary Chief Financial Officer (CFO)	Rajeshbhai Parshotam Malaviya Darsh Rajeshbhai Malaviya Ushaben Rajeshbhai Malaviya Kinjal Kothari (Appointed from April 1, 2026) Jiten Akhiyaniya (Appointed from April 1, 2026)
3	Relatives of Key Management Personnel Director's Relative	Parth Rajeshbhai Malaviya
4	Entities Controlled by Directors/Relative of Directors Entity on which Relative of Director has significant influence Entity on which KMP has significant influence Entity on which Relative of Director has significant influence	Pushti Processors Mira India Fashion Bhakti Art

34.2 Particulars of transactions with related parties. The transactions are disclosed in aggregate value.

Sr. No.	Nature of Transaction	Name of Related Party	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Unsecured Loans Repaid	Ushaben Rajeshbhai Malaviya	358.67	1552.94
2	Unsecured Loans Received	Ushaben Rajeshbhai Malaviya	164.74	10.12
3	Sale of Goods	Kian-M Export Limited	-	3076.90
4	Jobwork Income	Kian-M Export Limited	5822.99	-
5	Design Expense	Bhakti Art	282.63	50.83
6	Factory & Machinery Rent	Pushti Processors Ushaben Rajeshbhai Malaviya Rajeshbhai Parshotam Malaviya	36.00 39.40 46.01	9.00 0.33 0.39
7	Repairs & Maintenance Expense	Pushti Processors	24.00	-
8	Staff Salary	Parthbhai Rajeshbhai Malaviya	24.00	-
9	Machinery Spare Part Sale	Kian-M Export Limited	1.05	-



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

All amounts are in INR Lakhs unless otherwise specified

34.3 Below given are the closing balances of related parties

Sr. No.	Particular		For the year ended	
			March 31 2026	March 31 2025
1	Unsecured Loans	Ushaben Rajeshbhai Malaviya	122.34	316.28
2	Trade Payable	Pushti Processors	14.34	0.20
		Ushaben Rajeshbhai Malaviya - for Rent	0.42	0.47
		Rajeshbhai Parshotam Malaviya - for Rent	0.06	0.36
		Bhakti Art	27.09	32.43
3	Trade Receivable	Kian-M Export Limited	3420.12	4150.67
4	Salary Payable	Parthbhai Rajeshbhai Malaviya	20.88	-



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35 Contingent Liabilities & Commitments

Contingent Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
a) Letter of Credit Outstanding	-	-
b) Guarantees given by bank on behalf of company	-	-
c) Guarantees given by the Company on behalf of following Subsidiaries:	-	-
d) Disputed Statutory Dues under	-	-
Total	-	-

35.1 Capital Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Nil	-	-

36 Earning per share

Particulars	For the Year Ended	
	March 31, 2026	March 31, 2025
Earning Per Share has been computed as under:		
Profit after tax as per Statement of Profit and Loss (A)	506.98	144.93
Weighted average number of equity shares outstanding (B)	5.00	4.07
Basic and diluted earnings per share in rupees (in absolute numbers) (Face Value per equity share Rs. 10)	101.40	35.60

37 Segment Reporting

The Company is engaged in construction project activities. Considering the nature of company's business and operations as well as reviews of operating results by the Chief Operating Decision Makers to make decisions about resource allocation and performance measurement the Company has identified construction project activities as only responsible segment in accordance with the requirements of Ind AS 108 "Operating Segment".

38 Details of Loan given, Investment made and Guarantee given covered under section 186 (4) of the Companies Act, 2013

Loans given and investments made are shown under the respective heads.
Loans have been utilised by the recipient for their business purpose.
There are corporate guarantees given by the Company in respect of loans as at March 31, 2026.



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

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39 Lease liability

39.1 The Company has Two lease contracts for its factory rent, having lease terms of 15 years each contract. The contract can be extended further as per mutual agreement between lessor and lessee.

39.2 Maturity Analysis of Lease Liabilities

Particulars	Carrying Amount	Upto 12 Months	More than 12 months	Total undiscounted cashflow
As at March 31, 2026	1,297.58	8.67	1,297.58	1,306.25
As at March 31, 2025	-	-	-	-

39.3 Lease Liability movement

Particulars	Lease Liability
As at April 01, 2024	-
Additions during the year	-
Interest on lease liabilities	-
Payments during the year	-
As at March 31, 2025	-
Additions during the year	1,309.03
Interest on lease liabilities	66.25
Payments during the year	69.03
Termination of Lease Liability	-
As at March 31, 2026	1,306.25

39.4 The following are the amounts recognised in the Statement of Profit and Loss:

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Interest on Lease Liabilities	66.25	-
Amortisation of right of use assets	50.91	-

39.5 Amount Recognised in Statement of Cash Flows

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Total cash outflow for leases	(69.03)	-



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

Sr. No.	Ratio	Ratio Formula		For the Year Ended (Rs. in Lakhs)		Variance (%)	Reason for variance (>25%)
		Numerator	Denominator	March 31, 2026	March 31, 2025		
1	Current ratio	Current Assets	Current Liabilities	0.99	0.93	5.69%	NA
2	Debt-equity ratio	Total Debt (Borrowings)	Total Equity	1.29	2.35	-45.27%	Debt-Equity ratio has decreased due to percentage increase in total debt is less than percentage increase in total equity.
3	Debt service coverage ratio	Earning available for debt service	Debt service	2.04	6.32	-67.71%	Debt service coverage ratio has decreased because percentage increase in earning available for debt service in current year is less than percentage increase in payment of interest and loan.
4	Return on equity ratio	Profits after tax	Average total equity	42.89%	31.54%	35.98%	Return on Equity increased due to increase in profits after tax and no increase in equity during the year.
5	Inventory turnover ratio	Cost of goods sold	Average inventory	8.64	4.75	82.14%	Inventory turnover ratio increased due to increase in cost of goods sold during the current year.
6	Trade receivables turnover ratio	Revenue from operations	Average trade receivable	2.34	0.78	199.64%	Trade receivables turnover ratio has increased because percentage increase in revenue from operations is more than percentage increase in average trade receivables.
7	Trade payables turnover ratio	Net purchases	Average Trade Payables	1.54	0.61	151.77%	Trade Payables turnover has increased because percentage increase in Net Purchases is more than percentage increase in Average trade payables.
8	Net capital turnover ratio	Revenue from operations	Working capital	-120.45	-9.02	1235.81%	Net capital turnover ratio has decreased due to percentage increase in Revenue from Operations is more than the percentage increase in Working Capital that includes decrease in Current Assets.
9	Net profit ratio	Profit after tax	Revenue from operations	4.78%	3.92%	21.94%	Net profit ratio increased due to increase in Revenue from operations in the current year.
10	Return on capital employed	Profit before interest (excluding interest on lease liabilities), and tax	Capital employed = Total Equity + Total Debt+Deferred tax liabilities	27.20%	7.35%	269.85%	Return on capital employed has increased due to substantially increase in Profit before interest and tax that is proportionately more than increase in capital employed which includes Total Equity that includes increase in equity share capital and other equity including retained earnings.
11	Return on Investment	Income generated from invested funds	Average of Investments	-	-	-	NA



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

All amounts are in INR Lakhs unless otherwise specified

41 Additional regulatory information disclosures

41.1 Loans and advances granted to specified person:

The Company has not given any loans and advances in nature of loan to promoters, directors, KMPs and related parties except business advances.

41.2 Relationship with struck off companies:

The Company does not have any transaction and balance outstanding with struck off companies.

41.3 Willful Defaulter

The Company is not declared as willful defaulter by any bank or financial institution or other lender.

41.4 Utilisation of borrowed funds

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

41.5 Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

41.6 Details of Benami Property held

The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence no proceedings initiated or pending against the company under the said Act and Rules.

41.7 Utilisation of borrowed funds, share premium and other funds

The Company has not given any advance or loan or invested funds from borrowed funds or share premium or any other sources with the understanding that intermediary would directly or indirectly lend or invest in other person or equity identified in any manner whatsoever by or on behalf of the company as ultimate beneficiaries or provide any guarantee or security or the like to on behalf of ultimate beneficiaries.

The Company has not received any fund from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary.

41.8 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 (Restrictions on number of Layers) Rules, 2017.

41.9 Scheme of Arrangement

There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

41.10 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

41.11 Undisclosed Income

There is no transaction, which has not been recorded in books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

41.12 New Code on Social Security

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered restructured compensation of its employees with effect from December 1, 2025, and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion.



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

All amounts are in INR Lakhs unless otherwise specified

- 42 Figures for the previous periods have been regrouped / re-arranged, wherever considered necessary.
- 43 The financial statements are approved for the issue by the Company's Board of Directors on July 30, 2026.

As per our report of even date attached

For, Vaghasia & Lakhani LLP

Chartered Accountants

Firm Registration No. 134575W/W100138

Monika



CA Monika Vaghasia

Partner

Membership No. : 149637

Place: Rajkot

Date: 30.07.2026

For and on behalf of the Board of Directors

Usha Cotton Limited

Usha R. Malaviya



Rajesh Malaviya

Rajesh Malaviya

Director

DIN: 08671847

Place: Rajkot

Date: 30.07.2026

Usha Malaviya

Director

DIN: 10882621

Place: Rajkot

Date: 30.07.2026